

**2005 Test Package
for
e-file of California
Individual
Income Tax Returns**

FTB Pub. 1436

State of California
Franchise Tax Board
www.ftb.ca.gov

Table of Contents

Section 1 – Introduction	1
1.1 Welcome	1
1.2 Where Can I Get More Information	1
1.3 General Information	2
Section 2 – PATS Procedures	3
2.1 Who Must Test?	3
2.2 Before you Test.....	3
2.3 Testing for Software Developers.....	3
2.4 Testing Communications Protocol.....	4
2.5 Testing for Transmitters and Direct EROs	4
2.6 Why Test?	5
Section 3 – Finalizing PATS	6
3.1 Review of Participant Return File	6
3.2 Using Your Own Test Cases	6
Section 4 – PATS Test Cases	7
TEST CASE #1	8
TEST CASE #2	11
TEST CASE #3	14
TEST CASE #4	18
TEST CASE #5	22
TEST CASE #6	26
TEST CASE #7	29
TEST CASE #8	34
TEST CASE #9	40
TEST CASE #10	45
TEST CASE #11	54
TEST CASE #12	57
TEST CASE #13	61
TEST CASE #14	66
TEST CASE #15	73

Section 1 – Introduction

1.1 Welcome

Thank you for participating in California's e-file program.

This publication provides the information you need to successfully complete Participant Acceptance Testing (PATs), including test cases, test procedures, and instructions for preparing test material for e-filing individual income tax returns.

We will begin accepting test transmissions for the upcoming filing season upon the release of this publication.

1.2 Where Can I Get More Information?

For assistance in formatting and transmitting your e-file returns, or if you have questions regarding the test cases, please contact:

FTB PATs Test Coordinator

Phone: (916) 845-3910
Fax: (916) 845-5340
Email: eTest@ftb.ca.gov

e-Programs Customer Service Unit

Monday through Friday, between the hours of 8 a.m. and 5 p.m., PST

Phone: (916) 845-0353
Fax: (916) 845-0287
Email: e-file@ftb.ca.gov
Website: www.ftb.ca.gov/professionals/efile

If you have comments or suggestions regarding the California e-file Program or this publication, send them to:

e-file Coordinator, MS F-284
Franchise Tax Board
PO Box 1468
Sacramento CA 95812-1468
Email: e-file.coordinator@ftb.ca.gov

Assistance for persons with disabilities: We comply with the Americans with Disabilities Act. Persons with hearing or speech impairments please call TTY/TDD (800) 822-6268.

1.3 General Information

The FTB follows the e-file Program requirements found in FTB Pubs and IRS Pubs. 1345, 1345A, and in IRS Revenue Procedure 2000-31 to the extent that they apply to FTB's e-file Program.

Specific California e-file requirements can be found in FTB Publications 1345, 1345A and 1346.

You must comply with all the latest FTB publications, forms, and notices governing the California e-file Program.

Section 2 – PATS Procedures

2.1 Who Must Test?

To participate in California's Individual e-file Program, the following participant types must meet all PATS requirements contained in this publication:

- Software Developers
- Transmitters
- Electronic Return Originators (EROs) who transmit directly with FTB

Note: Generally, if your software allows you to transmit returns directly to FTB, the software company will provide you with the materials you need to complete PATS testing. Refer to section 2.5 for more information.

EROs who do not develop their own software or transmit returns directly with FTB do not need to complete PATS.

2.2 Before you Test

Prior to testing, all software developers, transmitters, and ERO's transmitting directly with FTB must obtain an Electronic Transmitter Identification Number (ETIN) through the IRS application process and be enrolled in our e-file Program.

If you are not enrolled in the IRS program, get IRS Publication 3112, *IRS e-file Application and Participation*. To enroll in the California e-file Program, complete the enrollment form online at www.ftb.ca.gov. Search for **join e-file**.

You must complete PATS before you can transmit any **production** returns. Once you successfully complete PATS, we will notify you via email and in writing of your acceptance.

2.3 Testing for Software Developers

The PATS process for Software Developers is as follows:

- Contact the e-Programs Customer Service Unit at (916) 845-0353 for initial instructions.
- For each of your products that your software supports, e-mail the following information to the PATS Coordinator prior to transmitting any test cases:
 - A list of returns, forms, and, schedules that your software supports.
 - A list of any e-file-specific features that are not supported.
- Prepare the test returns using the applicable PATS test case conditions starting on page 8.

You may transmit as many test cases as necessary until you receive no error messages or rejects prior to requesting PATS acceptance review.

- Prior to PATS acceptance review, you **must** transmit the test returns in two separate same-day transmissions. Transmit the first **8** test cases in the first transmission and the final **7** cases in the second transmission. In both transmissions, submit the returns in ascending SSN order.
- Pick up all acknowledgment (ACK) files before requesting PATS acceptance review.
- Notify the PATS Coordinator via email for PATS acceptance review once you have received accepted acknowledgements for all of the test case scenarios.
 - For modem transmitted returns, provide the ETIN, Julian Date, and Sequence Number of the return file(s).
 - For Internet (Direct Filing Portal) transmitted returns, provide the ETIN, SSN, and Declaration Control Number of the return file(s).
- After the PATS Coordinator validates your test returns, you will be notified of the results via email.
- We will notify you of any problems or irregularities that will require you to correct and re-submit any returns.
- If you have successfully completed PATS, you will be notified via email by the PATS Coordinator and will be mailed an acceptance letter.

2.4 Testing Communications Protocol

You can also use your FTB PATS test cases to test and debug any potential or existing problems with your e-file communications protocol. Contact the PATS Coordinator if you encounter any problem you feel is related to our communication system.

All individual e-file returns must be transmitted using asynchronous protocol as specified in FTB Pub. 1346, Section 4.

2.5 Testing for Transmitters and Direct EROs

The PATS process for Transmitters and Direct EROs is as follows:

- Contact the e-Programs Customer Service Unit at (916) 845-0353 for initial instructions.
- Prepare the test returns as instructed by your software company (test returns may be included with your software).
- Transmit the test returns following the instructions included with your software. As a transmitter using accepted software, you must complete an error-free communications test by transmitting five returns in two same-day transmissions.

- Notify the e-Programs Customer Service Unit that your test cases are ready for PATS acceptance review.
- After we validate your test returns, we will send you an ACK file that indicates whether each return was accepted or rejected. You must pick up your ACK files in order to complete PATS.
- If we reject your returns due to formatting or transmission errors, contact your Software Developer. After you receive the corrected software, you must retransmit the rejected returns.
- We will notify you via phone or email of your acceptance and will mail an acceptance letter to you.

2.6 Why Test?

The purpose of PATS is to ensure, prior to “live” processing, that:

- Software Developers and Transmitters send returns in the correct format and meet our e-file specifications and have no validation (reject) violations.
- Transmitters and Direct ERO’s can communicate with our e-file system to transmit returns as well as retrieve their acknowledgement files.
- Transmitters and Direct ERO’s understand and are familiar with the mechanics of e-filing returns to FTB.

2.7 A Few Reminders

- Transmitters must verify they have been accepted into FTB’s program before transmitting returns.
- Transmitters must not accept electronic returns from their clients until they have been approved for “live processing”.
- Do not send “live” returns as test returns and vice versa. “Live” returns sent to the test environment are considered “not filed”.

Software Developers must inform their clients that they may use only the accepted version of software. Software Developers should not distribute their software until FTB notifies them of their acceptance.

Section 3 – Finalizing PATS

3.1 Review of Participants Return File

Once you have transmitted the required test cases, the PATS Test Coordinator will validate your final transmission and will notify you if any problems or irregularities are found. Upon successful completion, we will send you a PATS acceptance email followed by an acceptance letter by mail.

3.2 Using Your Own Test Cases

Since every conceivable condition cannot be represented in our test cases, you are welcome to test additional data of your own, **after** you have received PATS Acceptance. We welcome your suggestions for improving our test cases.

Note: Always be sure to you use your test password to submit test returns, even if you are testing after you have received your production password.

Section 4 – PATS Test Cases

PATS Test Cases

- California's PATS test package for tax year 2005 consists of 15 test cases.
- California PATS test cases are **not** derived from the PATS test cases located in the Internal Revenue Service (IRS) Publication 1436, *Test Package for Electronic Filers of Individual Income Tax Returns*.
- Software Developers must successfully complete all test cases included in this package that apply to the e-file features listed for each of your software products.
- Not all line amounts, forms, schedules etc. that may be required for validation are necessarily listed in the test case scenarios. Consult FTB. Pub 1346 and the e-file error codes for complete requirements.

PATS Test Case Information

You will first need to prepare the IRS portion of the PATS return before attempting to complete the California portion. In an effort to better assist you, the completed federal portion (forms and schedules) of the PATS is attached to each test case in this publication.

The PATS test case information in this publication is divided into two parts:

- Federal Return section – pertains to the federal return portion of the California PATS test case.
- State Differences section – pertains to the state portion of the California PATS test case.

Reminder: *Do not apply federal instructions to the state portion of the PATS return or state instructions to the federal portion of the PATS return.*

We hope you find CA e-file PATS to be a productive process and we thank you for your participation in the e-file program.

TEST CASE # 1

Transmit the following forms: **540 2EZ and W-2**

FEDERAL RETURN:

Entity Information: John Smith
555 Main Street
Widgetsville, CA 95741-0555

Filing Status: Single

Date of Death: 12/31/2005

Dependent(s): None

Standard Deduction:

Return Preparation:

- **Online & Internet:** Executor
- **Paid Preparer:** Smith Tax Service
John Smith
123 Main St
Widgetsville, CA 95712
PTIN: P-12345678

STATE DIFFERENCES:

Self-Select PIN: Online and Internet Returns Only

- **Taxpayer:** 15001

Shared Secret:

- **Taxpayer:** 21,800

Non-Refundable Renter's Credit: \$60

Deceased Taxpayer Representative: Administrator
Guardian / Executor Name: Joan Smith

Direct Deposit:

- **Routing Number:** 091000019
- **Account Number:** ABC-1234 Z
- **Type of Account:** Checking

9292

☐ VOID☐ CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no. WIDGETSVILLE CREDIT UNION 2500 WIDGET WAY WIDGETSVILLE CA 95740-2500 (906) 555-2500		Payer's RTN (optional)	OMB No. 1545-0112	2005 Interest Income
			Form 1099-INT	
PAYER'S Federal identification number 95-5241639	RECIPIENT'S identification number 050-00-5001	1 Interest income not included in box 3 \$ 950.00		Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2005 General Instructions for Forms 1099, 1098, 5498, and W-2G.
RECIPIENT'S name JOHN SMITH		2 Early withdrawal penalty \$	3 Interest on U.S. Savings Bonds and Treas. obligations \$	
Street address (including apt. no.) 555 MAIN STREET		4 Federal income tax withheld \$	5 Investment expenses \$	
City, state, and ZIP code WIDGETSVILLE CA 95741-0555		6 Foreign tax paid \$	7 Foreign country or U.S. possession	
Account number (see instructions) 465564651655-5	2nd TIN not. <input type="checkbox"/>			

Form **1099-INT**

Cat. No. 14410K

Department of the Treasury - Internal Revenue Service

Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page

a Control number		22222		OMB No. 1545-0008			
b Employer identification number (EIN) 95-1234567				1 Wages, tips, other compensation 25,000		2 Federal income tax withheld 2,100.00	
c Employer's name, address, and ZIP code WIDGETS INTERNATIONAL WIDG 123 WIDGET WAY WIDGETSVILLE CA 95741-1234				3 Social security wages 25,000		4 Social security tax withheld	
				5 Medicare wages and tips 25,000		6 Medicare tax withheld	
				7 Social security tips		8 Allocated tips	
d Employee's social security number 050-00-5001				9 Advance EIC payment		10 Dependent care benefits	
e Employee's first name and initial Last name JOHN SMITH 555 MAIN STREET WIDGETSVILLE CA 95740-0500				11 Nonqualified plans		12a	
				13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b	
				14 Other		12c	
				CASDI 270		12d	
f Employee's address and ZIP code							
15 State CA	Employer's state ID number 95-541247	16 State wages, tips, etc. 25,000	17 State income tax 800.00	18 Local wages, tips, etc.	19 Local income tax	20 Locality name	

Form **W-2** Wage and Tax Statement
Copy 1—For State, City, or Local Tax Department

2005

Department of the Treasury—Internal Revenue Service

W-2 Indicator S

TEST CASE # 2

Transmit the following forms: **540 2EZ and W-2**

FEDERAL RETURN:

Entity Information: Mary Smith (age: 67)
1255 Mulberry Way
Widgetsville, CA 95740-1255

Filing Status: Single

Senior Credit: One

Dependent(s): Diane Smith
SSN: 601-00-5002
Age: 27 years
Daughter

Standard Deduction:

Return Preparation:

- **Online & Internet:** Taxpayer
- **Paid Preparer:** Smith Tax Service
John Smith
123 Main St
Widgetsville, CA 95712
FEIN: 98-1234567

STATE DIFFERENCES:

Self-Select PIN: Online and Internet Returns Only

- **Taxpayer:** 15002

Shared Secret:

- **Taxpayer:** 46,450

Voluntary Contributions:

- **Fund Name:** California Seniors Special Fund
- **Contribution Amount:** \$87
- **Fund Name:** Veterans' Quality of Life Fund
- **Contribution Amount:** \$5
- **Fund Name:** California Sexual Violence Victim Services Fund
- **Contribution Amount:** \$5
- **Fund Name:** California Colorectal Cancer Prevention Fund
- **Contribution Amount:** \$5

Direct Deposit:

- **Routing Number:** 121000248
- **Account Number:** 1234567 9
- **Type of Account:** Savings

9292

☐ VOID☐ CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no. WIDGET NATIONAL BANK 1235 MAIN STREET WIDGETSVILLE CA 95741-1235 (916) 555-1235		Payer's RTN (optional)	OMB No. 1545-0112	2005 Interest Income
			Form 1099-INT	
PAYER'S Federal identification number 95-7845120	RECIPIENT'S identification number 501-00-5002	1 Interest income not included in box 3 \$ 1,100.00		Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2005 General Instructions for Forms 1099, 1098, 5498, and W-2G.
RECIPIENT'S name MARY SMITH		2 Early withdrawal penalty \$	3 Interest on U.S. Savings Bonds and Treas. obligations \$	
Street address (including apt. no.) 1255 MULBERRY WAY		4 Federal income tax withheld \$	5 Investment expenses \$	
City, state, and ZIP code WIDGETSVILLE CA 95740-1255		6 Foreign tax paid \$	7 Foreign country or U.S. possession	
Account number (see instructions) 9876543210	2nd TIN not. <input type="checkbox"/>			

Form **1099-INT**

Cat. No. 14410K

Department of the Treasury - Internal Revenue Service

Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page

a Control number		22222		OMB No. 1545-0008		
b Employer identification number (EIN) 95-9654321				1 Wages, tips, other compensation 52,000		2 Federal income tax withheld 7,800.00
c Employer's name, address, and ZIP code WIDGETS, INC WIDG 1234 WIDGET WAY WIDGETSVILLE CA 95741-1234				3 Social security wages 52,000		4 Social security tax withheld
				5 Medicare wages and tips 52,000		6 Medicare tax withheld
				7 Social security tips		8 Allocated tips
d Employee's social security number 501-00-5002				9 Advance EIC payment		10 Dependent care benefits
e Employee's first name and initial Last name MARY SMITH 1255 MULBERRY WAY WIDGETSVILLE CA 95740-1255				11 Nonqualified plans		12a
				13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b
				14 Other		12c
				CASDI 562		12d
f Employee's address and ZIP code						
15 State CA	Employer's state ID number 95-55857512	16 State wages, tips, etc. 52,000	17 State income tax 2,800.00	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

Form **W-2** Wage and Tax Statement
Copy 1—For State, City, or Local Tax Department

2005

Department of the Treasury—Internal Revenue Service

W-2 Indicator S

TEST CASE # 3

Transmit the following forms: **540 2EZ and W-2**

FEDERAL RETURN:

Entity Information: Jason Smith
Janet SmithJones (**SSN:** 401-00-5003)
1234 Flower Ave
Widgetsville, CA 95784-1234

Filing Status: Married Filing Joint

Claimed as a Dependent: Yes (Spouse)

Dependent(s): None

Reduced Standard Deduction:

Return Preparation:

- **Online & Internet:** Taxpayer
- **Paid Preparer:** Smith Tax Service
John Smith
123 Main St
Widgetsville, CA 95712
SSN: 301-00-5003

STATE DIFFERENCES:

Self-Select PIN: Online and Internet Returns Only

- **Taxpayer:** 15003
- **Spouse:** 14003

Shared Secret:

- **Taxpayer:** 12,500
- **Spouse:** 12,500

TEST CASE # 3 continued:

Voluntary Contributions:

- Fund Name: Alzheimer's Disease/Related Disorders Fund
- Contribution Amount: \$2
- Fund Name: California Fund for Senior Citizens
- Contribution Amount: \$2
- Fund Name: Rare and Endangered Species Preservation Program
- Contribution Amount: \$2
- Fund Name: State Children's Trust Fund for the Prevention of Child Abuse
- Contribution Amount: \$2
- Fund Name: California Breast Cancer Research Fund
- Contribution Amount: \$2
- Fund Name: California Firefighters' Memorial Fund
- Contribution Amount: \$2
- Fund Name: Emergency Food Assistance Program
- Contribution Amount: \$2
- Fund Name: California Peace Officer Memorial Foundation
- Contribution Amount: \$2
- Fund Name: California Military Family Relief Fund
- Contribution Amount: \$2
- Fund Name: California Prostate Cancer Research Fund
- Contribution Amount: \$2
- Fund Name: Veterans' Quality of Life Fund
- Contribution Amount: \$2
- Fund Name: California Sexual Violence Victim Services Fund
- Contribution Amount: \$2
- Fund Name: California Colorectal Cancer Prevention Fund
- Contribution Amount: \$2

9292

☐ VOID☐ CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no. WIDGET BANK OF AMERICA 8522 MAIN STREET WIDGETSVILLE CA 95742-8522 (916) 555-8522		Payer's RTN (optional)	OMB No. 1545-0112	2005 Interest Income
			Form 1099-INT	
PAYER'S Federal identification number 94-7654321	RECIPIENT'S identification number 501-00-5003	1 Interest income not included in box 3 \$ 10,500.00		Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2005 General Instructions for Forms 1099, 1098, 5498, and W-2G.
RECIPIENT'S name JASON SMITH		2 Early withdrawal penalty \$	3 Interest on U.S. Savings Bonds and Treas. obligations \$	
Street address (including apt. no.) 1234 FLOWER AVE		4 Federal income tax withheld \$	5 Investment expenses \$	
City, state, and ZIP code WIDGETSVILLE CA 95784-1234		6 Foreign tax paid \$	7 Foreign country or U.S. possession	
Account number (see instructions) 45656545SD4	2nd TIN not. <input type="checkbox"/>			

Form **1099-INT**

Cat. No. 14410K

Department of the Treasury - Internal Revenue Service

Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page

a Control number		22222		OMB No. 1545-0008			
b Employer identification number (EIN) 95-7654321				1 Wages, tips, other compensation 6,500		2 Federal income tax withheld 450.00	
c Employer's name, address, and ZIP code WIDGETS NATIONAL WIDG 55 WIDGET BLVD WIDGETSVILLE CA 95761-0055				3 Social security wages 6,500		4 Social security tax withheld	
				5 Medicare wages and tips 6,500		6 Medicare tax withheld	
				7 Social security tips		8 Allocated tips	
d Employee's social security number 501-00-5003				9 Advance EIC payment		10 Dependent care benefits	
e Employee's first name and initial Last name JASON SMITH 1234 FLOWER AVE WIDGETSVILLE CA 95784-1234				11 Nonqualified plans		12a	
				13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b	
				14 Other		12c	
				CASDI 70		12d	
f Employee's address and ZIP code							
15 State CA		Employer's state ID number 25412545		16 State wages, tips, etc. 6,500		17 State income tax 0	

Form **W-2** Wage and Tax Statement
Copy 1—For State, City, or Local Tax Department

2005

Department of the Treasury—Internal Revenue Service

W-2 Indicator S

TEST CASE # 4

Transmit the following forms: **540 2EZ and W-2**

FEDERAL RETURN:

Entity Information: Jack Smith
Jill Smith
58 Magnolia Way
Widgetsville, CA 95746-1254

Filing Status: Married Filing Joint

Dependent(s):	Jessica Smith	James Smith
	SSN: 601-00-5004	SSN: 602-00-5004
	Age: 16 years	Age: 14 years
	Daughter	Son

Standard Deduction:

Return Preparation:

- **Online & Internet:** Taxpayer
- **Paid Preparer:** Smith Tax Service
John Smith
123 Main St
Widgetsville, CA 95712
PTIN: P-12345678

STATE DIFFERENCES:

Self-Select PIN: Online and Internet Returns Only

- **Taxpayer:** 15004
- **Spouse:** 14004

Shared Secret:

- **Taxpayer:** 108,950
- **Spouse:** 108,950

Form Request: FTB Form 3567, "Request For Installment Agreement"

9292

☐ VOID☐ CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no. BANK OF WIDGETSVILLE 100 MAIN STREET WIDGETSVILLE CA 95741-0100 (916) 555-0100		Payer's RTN (optional)	OMB No. 1545-0112	2005 Interest Income
			Form 1099-INT	
PAYER'S Federal identification number 95-4561239	RECIPIENT'S identification number 501-00-5004	1 Interest income not included in box 3 \$ 450.00		Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2005 General Instructions for Forms 1099, 1098, 5498, and W-2G.
RECIPIENT'S name JACK SMITH		2 Early withdrawal penalty \$	3 Interest on U.S. Savings Bonds and Treas. obligations \$	
Street address (including apt. no.) 58 MAGNOLIA WAY		4 Federal income tax withheld \$	5 Investment expenses \$	
City, state, and ZIP code WIDGETSVILLE CA 95746-1254		6 Foreign tax paid \$	7 Foreign country or U.S. possession	
Account number (see instructions) 46565465465	2nd TIN not. <input type="checkbox"/>			

Form **1099-INT**

Cat. No. 14410K

Department of the Treasury - Internal Revenue Service

Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page

a Control number		22222		OMB No. 1545-0008			
b Employer identification number (EIN) 95-4561237				1 Wages, tips, other compensation 63,000		2 Federal income tax withheld 7,200.00	
c Employer's name, address, and ZIP code WIDGETS-R-US WIDG 2455 WIDGET WAY WIDGETSVILLE CA 95741-2455				3 Social security wages 63,000		4 Social security tax withheld	
				5 Medicare wages and tips 63,000		6 Medicare tax withheld	
				7 Social security tips		8 Allocated tips	
d Employee's social security number 501-00-5004				9 Advance EIC payment		10 Dependent care benefits	
e Employee's first name and initial Last name JACK SMITH 58 MAGNOLIA WAY WIDGETSVILLE CA 95746-1254				11 Nonqualified plans		12a	
				13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b	
				14 Other		12c	
				CASDI 680		12d	
f Employee's address and ZIP code							
15 State CA		Employer's state ID number 5684575A-5		16 State wages, tips, etc. 63,000		17 State income tax 1,850.00	

Form **W-2** Wage and Tax Statement
Copy 1—For State, City, or Local Tax Department

2005

Department of the Treasury—Internal Revenue Service

W-2 Indicator S

a Control number		22222		OMB No. 1545-0008			
b Employer identification number (EIN) 94-5124578				1 Wages, tips, other compensation 73,000		2 Federal income tax withheld 4,250.00	
c Employer's name, address, and ZIP code WORLD OF WIDGETS 6595 WIDGET CIRCLE WIDGETSVILLE CA				3 Social security wages 73,000		4 Social security tax withheld	
				5 Medicare wages and tips 73,000		6 Medicare tax withheld	
				7 Social security tips		8 Allocated tips	
d Employee's social security number 501-00-5004				9 Advance EIC payment		10 Dependent care benefits	
e Employee's first name and initial Last name JILL SMITH 58 MAGNOLIA WAY WIDGETSVILLE CA 95746-1254				11 Nonqualified plans		12a	
				13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b	
				14 Other CASDI 578		12c	
						12d	
f Employee's address and ZIP code							
15 State CA		Employer's state ID number 9857CA-2		16 State wages, tips, etc. 53,000		17 State income tax 2,150.00	
						18 Local wages, tips, etc.	
						19 Local income tax	
						20 Locality name	

Form **W-2** Wage and Tax Statement
Copy 1—For State, City, or Local Tax Department

2005

Department of the Treasury—Internal Revenue Service

W-2 Indicator S

TEST CASE # 5

Transmit the following forms: **540 2EZ and W-2**

FEDERAL RETURN:

Entity Information: Samuel Smith
8522 Rose Way
Widgetsville, CA 95818

Filing Status: Head of Household

Dependent(s): Michael Smith
SSN: 601-00-5005
Age: 18 years
Son

Standard Deduction:

Return Preparation:

- **Online & Internet:** Taxpayer
- **Paid Preparer:** Smith Tax Service
John Smith
123 Main St
Widgetsville, CA 95818
FEIN: 95-1234567

STATE DIFFERENCES:

Self-Select PIN: Online and Internet Returns Only

- **Taxpayer:** 15005

Shared Secret:

- **Taxpayer:** 43,200

Unemployment Adjustment:

Use Tax: \$725 of taxable items purchased via mail order where sales tax was not paid, taxpayer lives in the County of Sacramento.

8686



VOID



CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no. EDD STATE OF CALIFORNIA EDDS 555 MAIN STREET WIDGETSVILLE CA 95741-0555 (916) 555-0555		1 Unemployment compensation \$ 2,000.00	OMB No. 1545-0120 2005 Form 1099-G	Certain Government Payments Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2005 General Instructions for Forms 1099, 1098, 5498, and W-2G.
PAYER'S Federal identification number 95-4444123	RECIPIENT'S identification number 501-00-5005	2 State or local income tax refunds, credits, or offsets \$	3 Box 2 amount is for tax year \$	
RECIPIENT'S name SAMUEL SMITH		5 ATAA payments \$	6 Taxable grants \$	
Street address (including apt. no.) 8522 ROSE WAY		7 Agriculture payments \$	8 Check if box 2 is trade or business income <input type="checkbox"/>	
City, state, and ZIP code WIDGETSVILLE CA 95715-8522				
Account number (see instructions) 455444556				

Form **1099-G**

Cat. No. 14438M

Department of the Treasury - Internal Revenue Service

Do Not Cut or Separate Forms on This Page

—

Do Not Cut or Separate Forms on This Page

9292

☐ VOID☐ CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no. WIDGETSVILLE CREDIT UNION 4321 MAIN STREET WIDGETSVILLE CA 95741-4321 (916) 555-4321		Payer's RTN (optional)	OMB No. 1545-0112	2005 Interest Income
			Form 1099-INT	
PAYER'S Federal identification number 94-9876543	RECIPIENT'S identification number 501-00-5005	1 Interest income not included in box 3 \$ 650.00		Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2005 General Instructions for Forms 1099, 1098, 5498, and W-2G.
RECIPIENT'S name SAMUEL SMITH		2 Early withdrawal penalty \$	3 Interest on U.S. Savings Bonds and Treas. obligations \$	
Street address (including apt. no.) 8522 ROSE WAY		4 Federal income tax withheld \$	5 Investment expenses \$	
City, state, and ZIP code WIDGETSVILLE CA 95421-8522		6 Foreign tax paid \$	7 Foreign country or U.S. possession	
Account number (see instructions) 54565546	2nd TIN not. <input type="checkbox"/>			

Form **1099-INT**

Cat. No. 14410K

Department of the Treasury - Internal Revenue Service

Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page

a Control number		22222		OMB No. 1545-0008		
b Employer identification number (EIN) 93-2541638				1 Wages, tips, other compensation 41,900		2 Federal income tax withheld 5,000.00
c Employer's name, address, and ZIP code WIDGETS WONDERLAND WIDG 5544 WIDGET PARKWAY WIDGETSVILLE CA 95741-5544				3 Social security wages 41,900		4 Social security tax withheld
				5 Medicare wages and tips 41,900		6 Medicare tax withheld
				7 Social security tips		8 Allocated tips
d Employee's social security number 501-00-5005				9 Advance EIC payment		10 Dependent care benefits
e Employee's first name and initial Last name SAMUEL SMITH 8522 ROSE WAY WIDGETSVILLE CA 95421-5522				11 Nonqualified plans		12a
				13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b
				14 Other CASDI 453		12c
						12d
f Employee's address and ZIP code						
15 State CA	Employer's state ID number 5485965	16 State wages, tips, etc. 41,900	17 State income tax 750.00	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

Form **W-2** Wage and Tax Statement
Copy 1—For State, City, or Local Tax Department

2005

Department of the Treasury—Internal Revenue Service

W-2 Indicator S

TEST CASE # 6

Transmit the following forms: **540, W-2, Sch CA and S**

FEDERAL RETURN:

Entity Information: Brian Smith
5585 Azusa Way
Widgetsville, CA 95748-6985

Filing Status: Single

Claimed as a Dependent: Yes

Standard Deduction:

Return Preparation:

- **Online & Internet:** Taxpayer
- **Paid Preparer:** Smith Tax Service
John Smith
123 Main St
Widgetsville, CA 95712
FEIN: 95-1234567

STATE DIFFERENCES:

Self-Select PIN: Online and Internet Returns Only

- **Taxpayer:** 15006

Shared Secret:

- **Taxpayer:** 24,110

Unemployment Compensation Adjustment

California State Refund Adjustment

Other State Tax Credit Claimed, Schedule S

Withholding from a form other than W-2, W-2G, or 1099-R

Direct Deposit:

- **Routing Number:** 010028580
- **Account Number:** QX774346573593889
- **Type of Account:** Savings

8888



VOID



CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no. EDD STATE OF CALIFORNIA EDDS 555 MASIN ST WIDGETSVILLE CA 95741-0555 (916) 888-0555		1 Unemployment compensation \$ 5,955.00	OMB No. 1545-0120 2005 Form 1099-G	Certain Government Payments Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2005 General Instructions for Forms 1099, 1098, 5498, and W-2G.
PAYER'S Federal identification number 95-4444123	RECIPIENT'S identification number 005-00-5006	2 State or local income tax refunds, credits, or offsets \$	3 Box 2 amount is for tax year \$	
RECIPIENT'S name BRIAN SMITH		4 Federal income tax withheld \$	5 ATAA payments \$	
Street address (including apt. no.) 5585 Azusa Way		6 Taxable grants \$	7 Agriculture payments \$	
City, state, and ZIP code WIDGETSVILLE CA 95748-6985		8 Check if box 2 is trade or business income <input type="checkbox"/>		
Account number (see instructions) 4654AA65				

Form **1099-G**

Cat. No. 14438M

Department of the Treasury - Internal Revenue Service

Do Not Cut or Separate Forms on This Page

—

Do Not Cut or Separate Forms on This Page

a Control number		22222		OMB No. 1545-0008		
b Employer identification number (EIN) 95-1235412				1 Wages, tips, other compensation 22,500		2 Federal income tax withheld 2,300.00
c Employer's name, address, and ZIP code WIDGETS-N-THEN SOME WIDG 9545 WIDGET ROAD WIDGETSVILLE CA 95746-9645				3 Social security wages 22,500		4 Social security tax withheld
				5 Medicare wages and tips 22,500		6 Medicare tax withheld
				7 Social security tips		8 Allocated tips
d Employee's social security number 005-00-5006				9 Advance EIC payment		10 Dependent care benefits
e Employee's first name and initial Last name BRIAN SMITH 5585 AZUSA WAY WIDGETSVILLE CA 95722-7905				11 Nonqualified plans		12a
				13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b
				14 Other		12c
				CASDI 243		12d
f Employee's address and ZIP code						
15 State CA	Employer's state ID number 65421SS	16 State wages, tips, etc. 22,500	17 State income tax 495.00	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

Form **W-2** Wage and Tax Statement
Copy 1—For State, City, or Local Tax Department

2005

Department of the Treasury—Internal Revenue Service

W-2 Indicator S

TEST CASE # 7

Transmit the following forms: **540, W-2, and 3803**

FEDERAL RETURN:

Entity Information: Harrison Smith
Karen Smith **(Deceased 10/02/05)** 401-00-5007
9621 Daffodil Dr
WidgetsVille BC CANADA 875DS2

Filing Status: Married Filing Joint

Dependent (s): Put dependent information in Statement Record

Connie Smith
SSN: 601-00-5007
Age: 16 years
Daughter

Rita Smith
SSN: 602-00-5007
Age: 15 years
Daughter

Susan Smith
SSN: 603-00-5007
Age: 14 years
Son

Harry Smith
SSN: 604-00-5007
Age: 14 years
Son

Stan Smith
SSN: 605-00-5007
Age: 14 years
Son

Michelle Smith
SSN: 606-00-5007
Age: 10 years
Daughter

Missy Smith
SSN: 607-00-5007
Age: 10 years
Daughter

Standard Deduction:

Return Preparation:

- **Online & Internet:** Taxpayer
- **Paid Preparer:** Smith Tax Service
John Smith
123 Main St
WidgetsVille CA 95812
PTIN: P-12345678

STATE DIFFERENCES:

Self-Select PIN: Online and Internet Returns Only

- **Taxpayer:** 15007
- **Spouse:** 14007

TEST CASE # 7 continued:

Shared Secret:

- Taxpayer: 87,493
- Spouse: 87,493

Parent's Election to Report Child's Interest and Dividends, Form 3803

Excess State Disability Insurance Claimed

State Refund Adjustment

Deceased Taxpayer Representative: Spouse
Guardian / Executor Name: Harrison Smith

Direct Deposit:

- Routing Number: 121000248
- Account Number: 1234567890
- Type of Account: Checking

Estimate Tax Payments Requested:	<u>Date:</u>	<u>Amount:</u>
	04/17/06	\$100
	12/15/06	\$100

**Parents' Election To Report
Child's Interest and Dividends**

► See instructions.

► Attach to parents' Form 1040 or Form 1040NR.

2005Attachment
Sequence No. **40**

Name(s) shown on your return

Harrison Smith

Your social security number

501 01 5007

Caution. The federal income tax on your child's income, including qualified dividends and capital gain distributions, may be less if you file a separate tax return for the child instead of making this election. This is because you cannot take certain tax benefits that your child could take on his or her own return. For details, see **Tax benefits you may not take** on page 2.

A Child's name (first, initial, and last)

Stan Smith

B Child's social security number

604 00 5007c If more than one Form 8814 is attached, check here ► ☐**Part I Child's Interest and Dividends To Report on Your Return**

1a Enter your child's taxable interest. If this amount is different from the amounts shown on the child's Forms 1099-INT and 1099-OID, see the instructions	1a	5050	
b Enter your child's tax-exempt interest. Do not include this amount on line 1a	1b	1000	
2 Enter your child's ordinary dividends, including any Alaska Permanent Fund dividends. If your child received any ordinary dividends as a nominee, see the instructions	2		
3 Enter your child's capital gain distributions. If your child received any capital gain distributions as a nominee, see the instructions	3		
4 Add lines 1a, 2, and 3. If the total is \$1,600 or less, skip lines 5 and 6 and go to line 7. If the total is \$8,000 or more, do not file this form. Your child must file his or her own return to report the income	4	5050	
5 Base amount	5	1,600	00
6 Subtract line 5 from line 4. See the instructions for where to report this amount. Go to line 7 below ►	6	3450	

Part II Tax on the First \$1,600 of Child's Interest and Dividends

7 Amount not taxed	7	800	00
8 Subtract line 7 from line 4. If the result is zero or less, enter -0-	8	4250	
9 Tax. Is the amount on line 8 less than \$800? <input checked="" type="checkbox"/> No. Enter \$80 here and see the Note below. <input type="checkbox"/> Yes. Multiply line 8 by 10% (.10). Enter the result here and see the Note below.	9	80	

Note. If you checked the box on line C above, see the instructions. Otherwise, include the amount from line 9 in the tax you enter on Form 1040, line 44, or Form 1040NR, line 41. Be sure to check box **a** on Form 1040, line 44, or Form 1040NR, line 41.

For Paperwork Reduction Act Notice, see page 3.

Cat. No. 10750J

Form **8814** (2005)

a Control number		22222		OMB No. 1545-0008			
b Employer identification number (EIN) 95-5412753				1 Wages, tips, other compensation 31,693		2 Federal income tax withheld 4,650.00	
c Employer's name, address, and ZIP code WIDGET DOT COM WIDG 555 STARTUP LANE WIDGETSVILLE CA 95741-0555				3 Social security wages 31,693		4 Social security tax withheld	
				5 Medicare wages and tips 31,693		6 Medicare tax withheld	
				7 Social security tips		8 Allocated tips	
d Employee's social security number 501-00-5007				9 Advance EIC payment		10 Dependent care benefits	
e Employee's first name and initial Last name HARRISON SMITH 9621 DAFFODIL DRIVE WIDGETSVILLE CANADA BC 875DS2				11 Nonqualified plans		12a	
				13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b	
				14 Other CASDI 342		12c	
						12d	
f Employee's address and ZIP code							
15 State CA		Employer's state ID number 654545A		16 State wages, tips, etc. 31,693		17 State income tax 648.00	

Form **W-2** Wage and Tax Statement
Copy 1—For State, City, or Local Tax Department

2005

Department of the Treasury—Internal Revenue Service

W-2 Indicator S

a Control number		22222		OMB No. 1545-0008			
b Employer identification number (EIN) 95-5421258				1 Wages, tips, other compensation 55,800		2 Federal income tax withheld 10,000.00	
c Employer's name, address, and ZIP code WIDGETSOFT WIDG 1255 SOFTWARE WAY WIDGETSVILLE CA 95741-1255				3 Social security wages 55,800		4 Social security tax withheld	
				5 Medicare wages and tips 55,800		6 Medicare tax withheld	
				7 Social security tips		8 Allocated tips	
d Employee's social security number 501-00-5007				9 Advance EIC payment		10 Dependent care benefits	
e Employee's first name and initial Last name HARRISON SMITH 9621 DAFFODIL DRIVE WIDGETSVILLE CANADA BC 875DS2				11 Nonqualified plans		12a	
				13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b	
				14 Other		12c	
				CASDI 603		12d	
f Employee's address and ZIP code							
15 State CA		Employer's state ID number 45465654S		16 State wages, tips, etc. 55,800		17 State income tax 2,000.00	

Form **W-2** Wage and Tax Statement
Copy 1—For State, City, or Local Tax Department

2005

Department of the Treasury—Internal Revenue Service

W-2 Indicator S

TEST CASE # 8

Transmit the following forms: **540, W-2, Schedule CA, and Form 3506**

FEDERAL RETURN:

Entity Information:

Glen Smith
7500 Carnation Lane
Widgetsville, CA 95745

Filing Status:

Married Filing Separate
Spouse Name: Kathy Smith (401-00-5008)

Dependent (s):

Sarrah Smith	Samantha Smith	Cyndee Smith
SSN: 601-00-5008	SSN: 602-00-5008	SSN: 603-00-5008
Age: 15 years	Age: 15 years	Age: 4 years
Daughter	Daughter	Daughter:

Itemized Deduction:

Child and Dependent Credit Claimed, Form 2441

Return Preparation:

- **Online & Internet:** Taxpayer
- **Paid Preparer:** Smith Tax Service
John Smith
123 Main St
Widgetsville, CA 95741
SSN: 401-00-5008

STATE DIFFERENCES:

Self-Select PIN:

Online and Internet Returns Only

- **Taxpayer:** 15008

Shared Secret:

- **Taxpayer:** 64,000

TEST CASE # 8 continued

Child and Dependent Care Expense Credit, Form 3506

Use Tax: \$5,000 of taxable items purchased via mail order where sales tax was not paid, taxpayer lives in the County of Contra Costa.

Direct Deposit:

- **Routing Number:** 121000248
- **Account Number:** 555-65445
- **Type of Account:** Checking

Voluntary Contributions:

- Fund Name: Alzheimer's Disease/Related Disorders Fund
- Contribution Amount: \$2
- Fund Name: California Fund for Senior Citizens
- Contribution Amount: \$2
- Fund Name: Rare and Endangered Species Preservation Program
- Contribution Amount: \$2
- Fund Name: State Children's Trust Fund for the Prevention of Child Abuse
- Contribution Amount: \$2
- Fund Name: California Breast Cancer Research Fund
- Contribution Amount: \$2
- Fund Name: California Firefighters' Memorial Fund
- Contribution Amount: \$2
- Fund Name: Emergency Food Assistance Program
- Contribution Amount: \$2
- Fund Name: California Peace Officer Memorial Foundation
- Contribution Amount: \$2
- Fund Name: California Prostate Cancer Research Fund
- Contribution Amount: \$2
- Fund Name: Veterans' Quality of Life Fund
- Contribution Amount: \$2
- Fund Name: California Sexual Violence Victim Services Fund
- Contribution Amount: \$2
- Fund Name: California Colorectal Cancer Prevention Fund
- Contribution Amount: \$2

Note: This test condition was created with the 2004 federal Sch. A (the 2005 form was not available when the test case was created). Please use 2005 form when you submit this case for testing.

SCHEDULES A&B
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Schedule A—Itemized Deductions

(Schedule B is on back)

OMB No. 1545-0074

2004

Attachment
Sequence No. **07**

▶ **Attach to Form 1040.** ▶ **See Instructions for Schedules A and B (Form 1040).**

Name(s) shown on Form 1040

GLEN SM TH

Your social security number

501 00 5008

Medical and Dental Expenses	Caution. Do not include expenses reimbursed or paid by others.				
1	Medical and dental expenses (see page A-2)	1			
2	Enter amount from Form 1040, line 37 2				
3	Multiply line 2 by 7.5% (.075)	3			
4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-			4	
Taxes You Paid	5 State and local (check only one box):				
(See page A-2.)	a <input type="checkbox"/> Income taxes, or	5	2,651		
	b <input type="checkbox"/> General sales taxes (see page A-2)				
	6 Real estate taxes (see page A-3)	6	3,625		
	7 Personal property taxes	7	850		
	8 Other taxes. List type and amount ▶	8			
	9 Add lines 5 through 8			9	7,126
Interest You Paid	10 Home mortgage interest and points reported to you on Form 1098	10	14,000		
(See page A-3.)	11 Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see page A-4 and show that person's name, identifying no., and address ▶	11			
Note. Personal interest is not deductible.	12 Points not reported to you on Form 1098. See page A-4 for special rules	12			
	13 Investment interest. Attach Form 4952 if required. (See page A-4.)	13			
	14 Add lines 10 through 13			14	14,000
Gifts to Charity	15 Gifts by cash or check. If you made any gift of \$250 or more, see page A-4	15	200		
If you made a gift and got a benefit for it, see page A-4.	16 Other than by cash or check. If any gift of \$250 or more, see page A-4. You must attach Form 8283 if over \$500	16	200		
	17 Carryover from prior year	17			
	18 Add lines 15 through 17			18	400
Casualty and Theft Losses	19 Casualty or theft loss(es). Attach Form 4684. (See page A-5.)			19	
Job Expenses and Most Other Miscellaneous Deductions	20 Unreimbursed employee expenses—job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See page A-6.) ▶	20			
(See page A-5.)	21 Tax preparation fees	21			
	22 Other expenses—investment, safe deposit box, etc. List type and amount ▶	22			
	23 Add lines 20 through 22	23			
	24 Enter amount from Form 1040, line 37 24				
	25 Multiply line 24 by 2% (.02)	25			
	26 Subtract line 25 from line 23. If line 25 is more than line 23, enter -0-			26	
Other Miscellaneous Deductions	27 Other—from list on page A-6. List type and amount ▶			27	
Total Itemized Deductions	28 Is Form 1040, line 37, over \$142,700 (over \$71,350 if married filing separately)?				
	<input checked="" type="checkbox"/> No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 27. Also, enter this amount on Form 1040, line 39.			28	21,526
	<input type="checkbox"/> Yes. Your deduction may be limited. See page A-6 for the amount to enter.				

Child and Dependent Care Expenses

OMB No. 1545-0074

2005

Attachment
Sequence No. **21**

► Attach to Form 1040.

► See separate instructions.

Name(s) shown on Form 1040

Your social security number

GLEN SMITH

501 00 5008

Before you begin: You need to understand the following terms. See **Definitions** on page 1 of the instructions.

• **Dependent Care Benefits**

• **Qualifying Person(s)**

• **Qualified Expenses**

Part I **Persons or Organizations Who Provided the Care—You must complete this part.**
(If you need more space, use the bottom of page 2.)

1	(a) Care provider's name	(b) Address (number, street, apt. no., city, state, and ZIP code)	(c) Identifying number (SSN or EIN)	(d) Amount paid (see instructions)
	A GREAT DAY CARE	95 PLAYGROUND ROAD WIDGETSVILLE, CA 95742	95-1245171	3,000

Did you receive
dependent care benefits?

No —————> Complete only Part II below.

Yes —————> Complete Part III on the back next.

Caution. If the care was provided in your home, you may owe employment taxes. See the instructions for Form 1040, line 62.

Part II **Credit for Child and Dependent Care Expenses**

2 Information about your **qualifying person(s)**. If you have more than two qualifying persons, see the instructions.

(a) Qualifying person's name		(b) Qualifying person's social security number	(c) Qualified expenses you incurred and paid in 2005 for the person listed in column (a)
First	Last		
CINDY	SMITH	603 00 6008	3,000

3	Add the amounts in column (c) of line 2. Do not enter more than \$3,000 for one qualifying person or \$6,000 for two or more persons. If you completed Part III, enter the amount from line 32	3	3,000																												
4	Enter your earned income . See instructions	4	63,000																												
5	If married filing jointly, enter your spouse's earned income (if your spouse was a student or was disabled, see the instructions); all others , enter the amount from line 4	5	63,000																												
6	Enter the smallest of line 3, 4, or 5	6	3,000																												
7	Enter the amount from Form 1040, line 38	7																													
8	Enter on line 8 the decimal amount shown below that applies to the amount on line 7 If line 7 is:																														
	<table><thead><tr><th>Over</th><th>But not over</th><th>Decimal amount is</th></tr></thead><tbody><tr><td>\$0—15,000</td><td></td><td>.35</td></tr><tr><td>15,000—17,000</td><td></td><td>.34</td></tr><tr><td>17,000—19,000</td><td></td><td>.33</td></tr><tr><td>19,000—21,000</td><td></td><td>.32</td></tr><tr><td>21,000—23,000</td><td></td><td>.31</td></tr><tr><td>23,000—25,000</td><td></td><td>.30</td></tr><tr><td>25,000—27,000</td><td></td><td>.29</td></tr><tr><td>27,000—29,000</td><td></td><td>.28</td></tr></tbody></table>	Over	But not over	Decimal amount is	\$0—15,000		.35	15,000—17,000		.34	17,000—19,000		.33	19,000—21,000		.32	21,000—23,000		.31	23,000—25,000		.30	25,000—27,000		.29	27,000—29,000		.28			
Over	But not over	Decimal amount is																													
\$0—15,000		.35																													
15,000—17,000		.34																													
17,000—19,000		.33																													
19,000—21,000		.32																													
21,000—23,000		.31																													
23,000—25,000		.30																													
25,000—27,000		.29																													
27,000—29,000		.28																													
	<table><thead><tr><th>Over</th><th>But not over</th><th>Decimal amount is</th></tr></thead><tbody><tr><td>\$29,000—31,000</td><td></td><td>.27</td></tr><tr><td>31,000—33,000</td><td></td><td>.26</td></tr><tr><td>33,000—35,000</td><td></td><td>.25</td></tr><tr><td>35,000—37,000</td><td></td><td>.24</td></tr><tr><td>37,000—39,000</td><td></td><td>.23</td></tr><tr><td>39,000—41,000</td><td></td><td>.22</td></tr><tr><td>41,000—43,000</td><td></td><td>.21</td></tr><tr><td>43,000—No limit</td><td></td><td>.20</td></tr></tbody></table>	Over	But not over	Decimal amount is	\$29,000—31,000		.27	31,000—33,000		.26	33,000—35,000		.25	35,000—37,000		.24	37,000—39,000		.23	39,000—41,000		.22	41,000—43,000		.21	43,000—No limit		.20			
Over	But not over	Decimal amount is																													
\$29,000—31,000		.27																													
31,000—33,000		.26																													
33,000—35,000		.25																													
35,000—37,000		.24																													
37,000—39,000		.23																													
39,000—41,000		.22																													
41,000—43,000		.21																													
43,000—No limit		.20																													
		8		× . 20																											
9	Multiply line 6 by the decimal amount on line 8. If you paid 2004 expenses in 2005, see the instructions	9	600																												
10	Enter the amount from Form 1040, line 46, minus any amount on Form 1040, line 47	10																													
11	Credit for child and dependent care expenses. Enter the smaller of line 9 or line 10 here and on Form 1040, line 48	11	600																												

For Paperwork Reduction Act Notice, see page 4 of the instructions.

Cat. No. 11862M

Form **2441** (2005)

9292

☐ VOID☐ CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no. WIDGET WORLD BANK 6541 MAIN STREET WIDGETSVILLE CA 95748-6541 (916) 555-6541		Payer's RTN (optional)	OMB No. 1545-0112	2005 Interest Income
			Form 1099-INT	
PAYER'S Federal identification number 95-543210	RECIPIENT'S identification number 501-00-5008	1 Interest income not included in box 3 \$ 1,000.00		Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2005 General Instructions for Forms 1099, 1098, 5498, and W-2G.
RECIPIENT'S name GLEN SMITH		2 Early withdrawal penalty \$	3 Interest on U.S. Savings Bonds and Treas. obligations \$	
Street address (including apt. no.) 7500 CARNATION LANE		4 Federal income tax withheld \$	5 Investment expenses \$	
City, state, and ZIP code WIDGETSVILLE CA 95745-7500		6 Foreign tax paid \$	7 Foreign country or U.S. possession	
Account number (see instructions) 45465223	2nd TIN not. <input type="checkbox"/>			

Form **1099-INT**

Cat. No. 14410K

Department of the Treasury - Internal Revenue Service

Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page

a Control number		22222		OMB No. 1545-0008			
b Employer identification number (EIN) 95-8754965				1 Wages, tips, other compensation 63,000		2 Federal income tax withheld 13,000.00	
c Employer's name, address, and ZIP code WIDGET WORLD WIDG 5789 OAK AVENUE WIDGETSVILLE CA 95741-5789				3 Social security wages 63,000		4 Social security tax withheld	
				5 Medicare wages and tips 63,000		6 Medicare tax withheld	
				7 Social security tips		8 Allocated tips	
d Employee's social security number 501-00-5008				9 Advance EIC payment		10 Dependent care benefits	
e Employee's first name and initial Last name GLEN SMITH 7500 CARNATION LANE WIDGETSVILLE CA 95745-7500				11 Nonqualified plans		12a	
				13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b	
				14 Other CASDI 680		12c	
						12d	
f Employee's address and ZIP code							
15 State Employer's state ID number CA 45556421		16 State wages, tips, etc. 63,000		17 State income tax 1,971.00		18 Local wages, tips, etc.	
						19 Local income tax	
						20 Locality name	

Form **W-2** Wage and Tax Statement
Copy 1—For State, City, or Local Tax Department

2005

Department of the Treasury—Internal Revenue Service

W-2 Indicator S

TEST CASE # 9

Transmit the following forms: **540, W-2, 1099R, Schedule HOH, and Form 3805P**

FEDERAL RETURN:

Entity Information: Henry Smith
9547 Kennedy Rd
Widgetsville, CA 95741-9547

Filing Status: Head of Household

Dependent (s):

Leslie Smith	Jason Smith
SSN: 601-00-5009	SSN: 602-00-5009
Age: 10 years	Age: 8 years
Daughter	Son

Standard Deduction:

Additional Taxes on Qualified Plans, Form 5329*

* This test condition was created with the 2004 form (the 2005 form was not available when the test was created). Please use 2005 form when you submit this case for testing.

Return Preparation:

- **Online & Internet:** Taxpayer
- **Paid Preparer:** Smith Tax Service
John Smith
123 Main St
Widgetsville, CA 95741
SSN: 401-00-5009

STATE DIFFERENCES:

Self-Select PIN: Online and Internet Returns Only

- **Taxpayer:** 15009

Shared Secret:

- **Taxpayer:** 56,508

Non-Refundable Renter's Credit: \$120

Additional Taxes on Qualified Plans, Form 3805P

Transfer the total overpayment amount as an estimate transfer request to Tax Year 2006

Head of Household Questionnaire, Schedule HOH / Form 4803e

HOH Information: Taxpayer was divorced on 06/15/03. Taxpayer claimed both children as his dependents. Taxpayer provided home for both children, which was their place of residence for the entire year of 2005.

☐ VOID ☐ CORRECTED

PAYER'S name, street address, city, state, and ZIP code WIDGETS-N-SUCH 125 WIDGET WAY WIDGETSVILLE CA 95741-0125		1 Gross distribution \$ 10,000		OMB No. 1545-0119 <div style="font-size: 2em; font-weight: bold;">2005</div> Form 1099-R		Distributions From Pensions, Annuities, Retirement or Profit-Sharing Plans, IRAs, Insurance Contracts, etc.	
		2a Taxable amount \$ 10,000					
		2b Taxable amount not determined <input type="checkbox"/>		Total distribution <input type="checkbox"/>		Copy 1 For State, City, or Local Tax Department	
PAYER'S Federal identification number 95-8585987	RECIPIENT'S identification number 501-00-5009	3 Capital gain (included in box 2a) \$		4 Federal income tax withheld \$ 1,100.00			
RECIPIENT'S name HENRY SMITH Street address (including apt. no.) 9547 KENNEDY RD City, state, and ZIP code WIDGETSVILLE CA 95741-9547		5 Employee contributions or insurance premiums \$		6 Net unrealized appreciation in employer's securities \$			
		7 Distribution code(s)	IRA/SEP/SIMPLE <input type="checkbox"/>	8 Other \$ %			
		9a Your percentage of total distribution %		9b Total employee contributions \$			
Account number (see instructions) 5654564SD		10 State tax withheld \$ 150.00 \$		11 State/Payer's state no. CA 4552145		12 State distribution \$ 10,000 \$	
		13 Local tax withheld \$ \$		14 Name of locality		15 Local distribution \$ \$	

Form **1099-R**

Department of the Treasury - Internal Revenue Service

a Control number		22222		OMB No. 1545-0008			
b Employer identification number (EIN) 95-5462897				1 Wages, tips, other compensation 7,500		2 Federal income tax withheld 900.00	
c Employer's name, address, and ZIP code WIDGETS-N-THINGS WIDG 125 WIDGET WAY WIDGETSVILLE CA 95741-0125				3 Social security wages 7,500		4 Social security tax withheld	
				5 Medicare wages and tips 7,500		6 Medicare tax withheld	
				7 Social security tips		8 Allocated tips	
d Employee's social security number 501-00-5009				9 Advance EIC payment		10 Dependent care benefits	
e Employee's first name and initial Last name HENRY SMITH 9547 KENNEDY ROAD WIDGETSVILLE CA 95741-9547				11 Nonqualified plans		12a	
				13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b	
				14 Other CASDI 81		12c	
						12d	
f Employee's address and ZIP code							
15 State Employer's state ID number CA 584597		16 State wages, tips, etc. 7,500		17 State income tax 151.00		18 Local wages, tips, etc.	
						19 Local income tax	
						20 Locality name	

Form **W-2** Wage and Tax Statement
Copy 1—For State, City, or Local Tax Department

2005

Department of the Treasury—Internal Revenue Service

W-2 Indicator S

Form **5329****Additional Taxes on Qualified Plans
(Including IRAs) and Other Tax-Favored Accounts**

OMB No. 1545-0203

2004Attachment
Sequence No. **29**Department of the Treasury
Internal Revenue Service (99)▶ **Attach to Form 1040.**▶ **See separate instructions.**

Name of individual subject to additional tax. If married filing jointly, see instructions.

HENRY SMITH

Your social security number

501 00 5009**Fill in Your Address Only
If You Are Filing This
Form by Itself and Not
With Your Tax Return**

Home address (number and street), or P.O. box if mail is not delivered to your home

Apt. no.

City, town or post office, state, and ZIP code

If this is an amended
return, check here ☐If you **only** owe the additional 10% tax on early distributions, you may be able to report this tax directly
on Form 1040, line 59, without filing Form 5329. See the instructions for Form 1040, line 59.**Part I Additional Tax on Early Distributions**

Complete this part if you took a taxable distribution, before you reached age 59½, from a qualified retirement plan (including an IRA) or modified endowment contract (unless you are reporting this tax directly on Form 1040—see above). You may also have to complete this part to indicate that you qualify for an exception to the additional tax on early distributions or for certain Roth IRA distributions (see instructions).

1	Early distributions included in income. For Roth IRA distributions, see instructions	1	10,000	
2	Early distributions included on line 1 that are not subject to the additional tax (see instructions). Enter the appropriate exception number from the instructions: _____	2		
3	Amount subject to additional tax. Subtract line 2 from line 1	3	10,000	
4	Additional tax. Enter 10% (.10) of line 3. Include this amount on Form 1040, line 59	4	1,000	
Caution: If any part of the amount on line 3 was a distribution from a SIMPLE IRA, you may have to include 25% of that amount on line 4 instead of 10% (see instructions).				

Part II Additional Tax on Certain Distributions From Education Accounts

Complete this part if you included an amount in income, on Form 1040, line 21, from a Coverdell education savings account (ESA) or a qualified tuition program (QTP).

5	Distributions included in income from Coverdell ESAs and QTPs	5		
6	Distributions included on line 5 that are not subject to the additional tax (see instructions)	6		
7	Amount subject to additional tax. Subtract line 6 from line 5	7		
8	Additional tax. Enter 10% (.10) of line 7. Include this amount on Form 1040, line 59	8		

Part III Additional Tax on Excess Contributions to Traditional IRAs

Complete this part if you contributed more to your traditional IRAs for 2004 than is allowable or you had an amount on line 17 of your 2003 Form 5329.

9	Enter your excess contributions from line 16 of your 2003 Form 5329 (see instructions). If zero, go to line 15	9		
10	If your traditional IRA contributions for 2004 are less than your maximum allowable contribution, see instructions. Otherwise, enter -0-	10		
11	2004 traditional IRA distributions included in income (see instructions)	11		
12	2004 distributions of prior year excess contributions (see instructions)	12		
13	Add lines 10, 11, and 12	13		
14	Prior year excess contributions. Subtract line 13 from line 9. If zero or less, enter -0-	14		
15	Excess contributions for 2004 (see instructions)	15		
16	Total excess contributions. Add lines 14 and 15	16		
17	Additional tax. Enter 6% (.06) of the smaller of line 16 or the value of your traditional IRAs on December 31, 2004 (including 2004 contributions made in 2005). Include this amount on Form 1040, line 59	17		

Part IV Additional Tax on Excess Contributions to Roth IRAs

Complete this part if you contributed more to your Roth IRAs for 2004 than is allowable or you had an amount on line 25 of your 2003 Form 5329.

18	Enter your excess contributions from line 24 of your 2003 Form 5329 (see instructions). If zero, go to line 23	18		
19	If your Roth IRA contributions for 2004 are less than your maximum allowable contribution, see instructions. Otherwise, enter -0-	19		
20	2004 distributions from your Roth IRAs (see instructions)	20		
21	Add lines 19 and 20	21		
22	Prior year excess contributions. Subtract line 21 from line 18. If zero or less, enter -0-	22		
23	Excess contributions for 2004 (see instructions)	23		
24	Total excess contributions. Add lines 22 and 23	24		
25	Additional tax. Enter 6% (.06) of the smaller of line 24 or the value of your Roth IRAs on December 31, 2004 (including 2004 contributions made in 2005). Include this amount on Form 1040, line 59	25		

a Control number		22222		OMB No. 1545-0008		
b Employer identification number (EIN) 95-5462897				1 Wages, tips, other compensation 39,000		2 Federal income tax withheld 6,200.00
c Employer's name, address, and ZIP code WIDGETS-N-SUCH WIDG 135 WIDGET WAY WIDGETSVILLE CA 95741-0135				3 Social security wages 39,000		4 Social security tax withheld
				5 Medicare wages and tips 39,000		6 Medicare tax withheld
				7 Social security tips		8 Allocated tips
d Employee's social security number 501-00-5009				9 Advance EIC payment		10 Dependent care benefits
e Employee's first name and initial Last name HENRY SMITH 9547 KENNEDY ROAD WIDGETSVILLE CA 95741-9547				11 Nonqualified plans		12a
				13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b
				14 Other CASDI 421		12c
						12d
f Employee's address and ZIP code						
15 State CA	Employer's state ID number 54613132	16 State wages, tips, etc. 39,000	17 State income tax 900.00	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

Form **W-2** Wage and Tax Statement
Copy 1—For State, City, or Local Tax Department

2005

Department of the Treasury—Internal Revenue Service

W-2 Indicator S

TEST CASE # 10

Transmit the following forms: **540, W-2, Sch CA & D, Ca STCGL, and 1040 Return**

FEDERAL RETURN:

Entity Information: Kelsey Smith
547 Kennel Rd
Widgetsville, CA 95742-0547

Filing Status: Qualifying Widow (er) with Dependent Child
Year Spouse Died: 2003

Dependent (s):	Diane Smith	Joseph Smith
	SSN: 601-00-5010	SSN: 603-00-5010
	Age: 16 years	Age: 14
	Daughter	Son

Standard Deduction:

Capital Gain / Losses, Schedule D

Short Term Capital Gain and Loss Record

Return Preparation:

- **Online & Internet:** Taxpayer
- **Paid Preparer:** Smith Tax Service
John Smith
123 Main St
Widgetsville, CA 95741
PTIN: P-12345678

STATE DIFFERENCES:

Self-Select PIN: Online and Internet Returns Only

- **Taxpayer:** 15010

Shared Secret:

- **Taxpayer:** 60,830

TEST CASE # 10 continued:

California Short Term Capital Gain and Loss Record

California non-tax interest adjustment

Unemployment Compensation Adjustment

The total amount of estimated tax payments made by the taxpayer for tax year 2005 was \$200.00.

NOTE: The specific day trading events for the Short Term Capital Gain Loss (STCGL) are located on the STCGL attachment of the Federal Schedule D.

Form Request: Form 3567, "Request For Installment Agreement"

**SCHEDULE D
(Form 1040)**

Department of the Treasury
Internal Revenue Service (99)

Name(s) shown on Form 1040

KELSEY SMITH

Capital Gains and Losses

► Attach to Form 1040. ► See Instructions for Schedule D (Form 1040).

► Use Schedule D-1 to list additional transactions for lines 1 and 8.

OMB No. 1545-0074

2005

Attachment
Sequence No. **12**

Your social security number

501 00 5010

Part I Short-Term Capital Gains and Losses—Assets Held One Year or Less

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-6 of the instructions)	(e) Cost or other basis (see page D-6 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
1					
2 Enter your short-term totals, if any, from Schedule D-1, line 2					
3 Total short-term sales price amounts. Add lines 1 and 2 in column (d)					
4 Short-term gain from Form 6252 and short-term gain or (loss) from Forms 4684, 6781, and 8824					
5 Net short-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1					
6 Short-term capital loss carryover. Enter the amount, if any, from line 8 of your Capital Loss Carryover Worksheet on page D-6 of the instructions					()
7 Net short-term capital gain or (loss). Combine lines 1 through 6 in column (f)					

Part II Long-Term Capital Gains and Losses—Assets Held More Than One Year

(a) Description of property (Example: 100 sh. XYZ Co.)	(b) Date acquired (Mo., day, yr.)	(c) Date sold (Mo., day, yr.)	(d) Sales price (see page D-6 of the instructions)	(e) Cost or other basis (see page D-6 of the instructions)	(f) Gain or (loss) Subtract (e) from (d)
8					
9 Enter your long-term totals, if any, from Schedule D-1, line 9					
10 Total long-term sales price amounts. Add lines 8 and 9 in column (d)					
11 Gain from Form 4797, Part I; long-term gain from Forms 2439 and 6252; and long-term gain or (loss) from Forms 4684, 6781, and 8824					
12 Net long-term gain or (loss) from partnerships, S corporations, estates, and trusts from Schedule(s) K-1					
13 Capital gain distributions. See page D-1 of the instructions					
14 Long-term capital loss carryover. Enter the amount, if any, from line 13 of your Capital Loss Carryover Worksheet on page D-6 of the instructions					()
15 Net long-term capital gain or (loss). Combine lines 8 through 14 in column (f). Then go to Part III on the back					

a Control number		22222		OMB No. 1545-0008		
b Employer identification number (EIN) 95-4784521				1 Wages, tips, other compensation 50,000		2 Federal income tax withheld 9,600.00
c Employer's name, address, and ZIP code WIDGETS AND SONS, INC WIDG 1234 SAM WAY WIDGETSVILLE CA 95741-1234				3 Social security wages 50,000		4 Social security tax withheld
				5 Medicare wages and tips 50,000		6 Medicare tax withheld
				7 Social security tips		8 Allocated tips
d Employee's social security number 501-00-5010				9 Advance EIC payment		10 Dependent care benefits
e Employee's first name and initial Last name KELSEY SMITH 547 KENNEY ROAD WIDGETSVILLE CA 95742-0547				11 Nonqualified plans		12a
				13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b
				14 Other		12c
				CASDI 590		12d
f Employee's address and ZIP code						
15 State CA	Employer's state ID number 1234567	16 State wages, tips, etc. 50,000	17 State income tax 80.00	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

Form **W-2** Wage and Tax Statement **2005** Department of the Treasury—Internal Revenue Service
 Copy 1—For State, City, or Local Tax Department

W-2 Indicator S

SHORT TERM CAPITAL GAIN AND LOSS RECORDS

<u>Description of Property</u>	<u>Date Acquired</u>	<u>Date Sold</u>	<u>Sales Price</u>	<u>Cost or Other Basis</u>	<u>Gain (Loss)</u>
100 shares XYZ stock	05/03/05	05/04/05	5,400	5,000	400
200 shares ABC stock	06/03/05	06/04/05	10,000	11,000	(1,000)
300 shares DEF stock	06/07/05	06/09/05	15,000	9,900	5,100
500 shares GHI stock	08/11/05	08/12/05	20,000	19,500	500
100 shares JKL stock	09/29/05	10/14/05	6,000	5,000	1,000
50 shares JKL stock	11/29/05	12/14/05	5,000	6,000	(1,000)

9292

☐ VOID☐ CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no. FIRST WIDGET BANK 1548 FIRST STREET WIDGETSVILLE CA 95741-1548 (916) 555-5015		Payer's RTN (optional)	OMB No. 1545-0112	2005 Interest Income
			Form 1099-INT	
PAYER'S Federal identification number 95-2221234	RECIPIENT'S identification number 501-00-5010	1 Interest income not included in box 3 \$ 2,330.00		Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2005 General Instructions for Forms 1099, 1098, 5498, and W-2G.
RECIPIENT'S name KELSEY SMITH		2 Early withdrawal penalty \$	3 Interest on U.S. Savings Bonds and Treas. obligations \$	
Street address (including apt. no.) 547 KENNEL ROAD		4 Federal income tax withheld \$	5 Investment expenses \$	
City, state, and ZIP code WIDGETSVILLE CA 95742-0547		6 Foreign tax paid \$	7 Foreign country or U.S. possession	
Account number (see instructions)	2nd TIN not. <input type="checkbox"/>			

Form **1099-INT**

Cat. No. 14410K

Department of the Treasury - Internal Revenue Service

Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page

8686



VOID



CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no. EDD STATE OF CALIFORNIA 555 MAIN STREET WIDGETSVILLE CA 95741-0555 (916) 555-0555		1 Unemployment compensation \$ 2,300.00	OMB No. 1545-0120 2005 Form 1099-G	Certain Government Payments Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2005 General Instructions for Forms 1099, 1098, 5498, and W-2G.
PAYER'S Federal identification number 95-4444123	RECIPIENT'S identification number 501-00-5010	2 State or local income tax refunds, credits, or offsets \$	3 Box 2 amount is for tax year \$	
RECIPIENT'S name KELSEY SMITH		5 ATAA payments \$	6 Taxable grants \$	
Street address (including apt. no.) 547 KENNEL RD		7 Agriculture payments \$	8 Check if box 2 is trade or business income <input type="checkbox"/>	
City, state, and ZIP code WIDGETSVILLE CA 95415-8520				
Account number (see instructions)				

Form **1099-G**

Cat. No. 14438M

Department of the Treasury - Internal Revenue Service

Do Not Cut or Separate Forms on This Page**Do Not Cut or Separate Forms on This Page**

☐ CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no.		1a Total ordinary dividends	OMB No. 1545-0110	Dividends and Distributions
WIDGETSVILLE DAY TRADING		\$	2005 Form 1099-DIV	
1285 WALL STREET		1b Qualified dividends		
WIDGETSVILLE CA 95741		\$	2a Total capital gain distr.	2b Unrecap. Sec. 1250 gain
(916) 555-6015		\$	\$	Copy B For Recipient
PAYER'S Federal identification number	RECIPIENT'S identification number			
95-8685154	501-00-5010			
RECIPIENT'S name		2c Section 1202 gain	2d Collectibles (28%) gain	This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
KELSEY SMITH		\$	\$	
Street address (including apt. no.)		3 Nondividend distributions	4 Federal income tax withheld	
547 KENNEL ROAD		\$	\$ 1,000.00	
City, state, and ZIP code			5 Investment expenses	
WIDGETSVILLE CA 95742-0547		6 Foreign tax paid	7 Foreign country or U.S. possession	
Account number (see instructions)		8 Cash liquidation distributions	9 Noncash liquidation distributions	
		\$	\$	

Form 1099-DIV

(keep for your records)

Department of the Treasury - Internal Revenue Service

CA State Withholding: 32

9292

☐ VOID☐ CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no. FIFTH WIDGET BANK 1234 FIFTH AVENUE WIDGETSVILLE CA 95741-1234 (916) 555-8855		Payer's RTN (optional)	OMB No. 1545-0112	2005 Interest Income
			Form 1099-INT	
PAYER'S Federal identification number 95-7654321	RECIPIENT'S identification number 501-00-5010	1 Interest income not included in box 3 \$		Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2005 General Instructions for Forms 1099, 1098, 5498, and W-2G.
RECIPIENT'S name KELSEY SMITH		2 Early withdrawal penalty \$	3 Interest on U.S. Savings Bonds and Treas. obligations \$ 1,200.00	
Street address (including apt. no.) 547 KENNEL RD		4 Federal income tax withheld \$	5 Investment expenses \$	
City, state, and ZIP code WIDGETSVILLE CA 95418-8520		6 Foreign tax paid \$	7 Foreign country or U.S. possession	
Account number (see instructions) QT544655	2nd TIN not. <input type="checkbox"/>			

Form **1099-INT**

Cat. No. 14410K

Department of the Treasury - Internal Revenue Service

Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page

TEST CASE # 11

Transmit the following forms: **540NRS and W-2**

FEDERAL RETURN:

Entity Information: Larry Smith
9945 Vanilla Way
Widgetsville, CA 95746-9945

Filing Status: Single

Dependent (s): None

Standard Deduction:

Return Preparation:

- **Online & Internet:** Taxpayer
- **Paid Preparer:** Smith Tax Service
John Smith
123 Main St
Widgetsville, CA 95712
FEIN: 95-1234567

STATE DIFFERENCES:

Self-Select PIN: Online and Internet Returns Only

- **Taxpayer:** 15011

Shared Secret:

- **Taxpayer:** 31,000

Taxpayer is Active Duty Military and Stationed in California.

Taxpayer Deployed from Permanent Base in California, on Temporary Assignment, to a Combat Zone/QHDA from 04/01/05 – 12/31/05

Taxpayer is a Resident of and Domiciled in the State of Ohio

Electronic Funds Withdrawal:

- **Routing Number:** 121000248
- **Account Number:** 956 SDFZ
- **Type of Account:** Savings
- **Debit Amount:** \$120.00
- **Date of Debit:** 04/17/2006

a Control number		22222		OMB No. 1545-0008		
b Employer identification number (EIN) 94-5641238				1 Wages, tips, other compensation 25,000		2 Federal income tax withheld 3,000.00
c Employer's name, address, and ZIP code WIDGET CORP WIDG 5475 MAPLE STREET WIDGETSVILLE CA 95741-5475				3 Social security wages 25,000		4 Social security tax withheld
				5 Medicare wages and tips 25,000		6 Medicare tax withheld
				7 Social security tips		8 Allocated tips
d Employee's social security number 501-00-5011				9 Advance EIC payment		10 Dependent care benefits
e Employee's first name and initial Last name LARRY SMITH 9945 VANILLA WAY WIDGETSVILLE CA 95746-9945				11 Nonqualified plans		12a
				13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b
				14 Other CASDI 270		12c
						12d
f Employee's address and ZIP code						
15 State CA	Employer's state ID number 4654851	16 State wages, tips, etc. 25,000	17 State income tax 200.00	18 Local wages, tips, etc.	19 Local income tax	20 Locality name

Form **W-2** Wage and Tax Statement
Copy 1—For State, City, or Local Tax Department

2005

Department of the Treasury—Internal Revenue Service

W-2 Indicator S

a Control number		22222		OMB No. 1545-0008			
b Employer identification number (EIN) 94-5553145				1 Wages, tips, other compensation 50,000		2 Federal income tax withheld 2,800.00	
c Employer's name, address, and ZIP code DEPT OF DEFENSE, US ARMY DEPT 2515 WIDGET AVENUE WIDGETSVILLE CA 94758-2515				3 Social security wages 50,000		4 Social security tax withheld	
				5 Medicare wages and tips 50,000		6 Medicare tax withheld	
				7 Social security tips		8 Allocated tips	
d Employee's social security number 501-00-5011				9 Advance EIC payment		10 Dependent care benefits	
e Employee's first name and initial Last name LARRY SMITH 9945 VANILLA WAY WIDGETSVILLE CA 95746-9945				11 Nonqualified plans		12a	
				13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b	
				14 Other		12c	
						12d	
f Employee's address and ZIP code							
15 State Employer's state ID number OH 45462145		16 State wages, tips, etc. 50,000		17 State income tax 0.00		18 Local wages, tips, etc.	
						19 Local income tax	
						20 Locality name	

Form **W-2** Wage and Tax Statement
Copy 1—For State, City, or Local Tax Department

2005

Department of the Treasury—Internal Revenue Service

W-2 Indicator S

TEST CASE # 12

Transmit the following forms: **540NRS and W-2**

FEDERAL RETURN:

Entity Information:

Jerry Smith
Lauren Smith (SSN: 401-00-5012)
9645 Compton Road
Widgetstown, OH 45210-5467

Filing Status:

Married Filing Joint

Dependent (s):

Morgan Smith
SSN: 601-00-5012
Age: 12 years
Daughter

Michael Smith
SSN: 602-00-5012
Age: 5 years
Son

Standard Deduction:

Return Preparation:

- **Online & Internet:** Taxpayer
- **Paid Preparer:** Smith Tax Service
Fred Smith
321 Main St
Widgetstown, OH 45216
FEIN: 95-1234567

STATE DIFFERENCES:

Self-Select PIN:

Online and Internet Returns Only

- **Taxpayer:** 15012
- **Spouse:** 14012

Shared Secret:

- **Taxpayer:** 53,000
- **Spouse:** 53,000

Taxpayer and Spouse lived in California from January 1, 2005 – June 30, 2005.

Taxpayer and Spouse left California and relocated to Ohio on July 1, 2005.

Non-Refundable Renter's Credit: \$60

TEST CASE # 12 continued:

Voluntary Contributions:

- Fund Name: Veterans' Quality of Life Fund
- Contribution Amount: \$20
- Fund Name: California Sexual Violence Victim Services Fund
- Contribution Amount: \$20
- Fund Name: California Colorectal Cancer Prevention Fund
- Contribution Amount: \$20

Direct Deposit:

- **Routing Number:** 121000248
- **Account Number:** ABCD-1234
- **Type of Account:** Checking

a Control number		22222		OMB No. 1545-0008			
b Employer identification number (EIN) 95-4568120				1 Wages, tips, other compensation 26,500		2 Federal income tax withheld 3,950.00	
c Employer's name, address, and ZIP code WIDGETS-R-FUN WIDG 5467 GATEWAY DRIVE WIDGETSVILLE CA 95741-5467				3 Social security wages 26,500		4 Social security tax withheld	
				5 Medicare wages and tips 26,500		6 Medicare tax withheld	
				7 Social security tips		8 Allocated tips	
d Employee's social security number 501-00-5012				9 Advance EIC payment		10 Dependent care benefits	
e Employee's first name and initial Last name JERRY SMITH 9645 COMPTON ROAD WIDGETSVILLE OH 45210-9645				11 Nonqualified plans		12a	
				13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b	
				14 Other CASDI 286		12c	
						12d	
f Employee's address and ZIP code							
15 State CA		Employer's state ID number 4654824		16 State wages, tips, etc. 26,500		17 State income tax 676.00	
				18 Local wages, tips, etc.		19 Local income tax	
						20 Locality name	

Form **W-2** Wage and Tax Statement
Copy 1—For State, City, or Local Tax Department

2005

Department of the Treasury—Internal Revenue Service

W-2 Indicator S

a Control number		22222		OMB No. 1545-0008			
b Employer identification number (EIN) 94-5214524				1 Wages, tips, other compensation 26,500		2 Federal income tax withheld 4,200.00	
c Employer's name, address, and ZIP code BIG WIDGET CORPORATION BIGW 7855 WOODBRIDGE DRIVE WIDGETSVILLE OH 45210-9645				3 Social security wages 26,500		4 Social security tax withheld	
				5 Medicare wages and tips 26,500		6 Medicare tax withheld	
				7 Social security tips		8 Allocated tips	
d Employee's social security number 501-00-5012				9 Advance EIC payment		10 Dependent care benefits	
e Employee's first name and initial Last name JERRY SMITH 9645 COMPTON ROAD WIDGETSVILLE OH 45210-9645				11 Nonqualified plans		12a	
				13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b	
				14 Other		12c	
						12d	
f Employee's address and ZIP code							
15 State OH		Employer's state ID number 4545OH		16 State wages, tips, etc. 26,500		17 State income tax 400.00	

Form **W-2** Wage and Tax Statement
Copy 1—For State, City, or Local Tax Department

2005

Department of the Treasury—Internal Revenue Service

W-2 Indicator S

TEST CASE # 13

Transmit the following forms: **540NR, W-2, and 1040 return.**

FEDERAL RETURN:

Entity Information: Patrick Smith (age 67)
75 Wayne Road
Widgetston, NC 27804-0075

Filing Status: Single

Senior Credit: One

Dependent (s): None

Itemized Deductions:

Return Preparation:

- **Online & Internet:** Taxpayer
- **Paid Preparer:** Smith Tax Service
John Smith
123 Main St
Widgetston, NC 27805-0123
FEIN: 95-1234567

State tax refund of \$1,000 reported on 1099G is taxable to the IRS

STATE DIFFERENCES:

Self-Select PIN: Online and Internet Returns Only

- **Taxpayer:** 15013

Shared Secret:

- **Taxpayer:** 71,000

Taxpayer left California and relocated to North Carolina on July 1, 2005.

California State Refund Adjustment

Transfer \$113.00 as an Estimate Payment to Tax Year 2006

TEST CASE # 13 continued:

Voluntary Contributions:

- Fund Name: California Seniors Special Fund
- Contribution Amount: \$87
- Fund Name: Veterans' Quality of Life Fund
- Contribution Amount: \$5
- Fund Name: California Sexual Violence Victim Services Fund
- Contribution Amount: \$5
- Fund Name: California Colorectal Cancer Prevention Fund
- Contribution Amount: \$5

Estimated Tax Payments Requested:	<u>Date:</u>	<u>Amount:</u>
	04/17/06	\$400
	06/15/06	\$400
	09/15/06	\$400
	01/15/07	\$400

Direct Deposit:

- **Routing Number:** 121000248
- **Account Number:** 4545-5
- **Type of Account:** Checking

Note: This test condition was created with the 2004 federal Sch. A (the 2005 form was not available when the test case was created). Please use 2005 form when you submit this case for testing.

SCHEDULES A&B
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Schedule A—Itemized Deductions

(Schedule B is on back)

OMB No. 1545-0074

2004

Attachment
Sequence No. **07**

▶ **Attach to Form 1040.** ▶ **See Instructions for Schedules A and B (Form 1040).**

Name(s) shown on Form 1040

PATRICK SMITH

Your social security number

501 00 5013

Medical and Dental Expenses	Caution. Do not include expenses reimbursed or paid by others.			
1	Medical and dental expenses (see page A-2)	1		
2	Enter amount from Form 1040, line 37 2	2		
3	Multiply line 2 by 7.5% (.075)	3		
4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-	4		
Taxes You Paid (See page A-2.)	5 State and local (check only one box):	5	7,316	
	a <input type="checkbox"/> Income taxes, or			
	b <input type="checkbox"/> General sales taxes (see page A-2) }	6	1,745	
	6 Real estate taxes (see page A-3)	7		
	7 Personal property taxes	8		
	8 Other taxes. List type and amount ▶	9		9,061
	9 Add lines 5 through 8			
Interest You Paid (See page A-3.)	10 Home mortgage interest and points reported to you on Form 1098	10		
	11 Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see page A-4 and show that person's name, identifying no., and address ▶	11	15,000	
Note. Personal interest is not deductible.	12 Points not reported to you on Form 1098. See page A-4 for special rules	12		
	13 Investment interest. Attach Form 4952 if required. (See page A-4.)	13		
	14 Add lines 10 through 13	14		15,000
Gifts to Charity If you made a gift and got a benefit for it, see page A-4.	15 Gifts by cash or check. If you made any gift of \$250 or more, see page A-4	15	230	
	16 Other than by cash or check. If any gift of \$250 or more, see page A-4. You must attach Form 8283 if over \$500	16	225	
	17 Carryover from prior year	17		
	18 Add lines 15 through 17	18		455
Casualty and Theft Losses	19 Casualty or theft loss(es). Attach Form 4684. (See page A-5.)	19		
Job Expenses and Most Other Miscellaneous Deductions (See page A-5.)	20 Unreimbursed employee expenses—job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See page A-6.) ▶	20		
	21 Tax preparation fees	21		
	22 Other expenses—investment, safe deposit box, etc. List type and amount ▶	22		
	23 Add lines 20 through 22	23		
	24 Enter amount from Form 1040, line 37 24	24		
	25 Multiply line 24 by 2% (.02)	25		
	26 Subtract line 25 from line 23. If line 25 is more than line 23, enter -0-	26		
Other Miscellaneous Deductions	27 Other—from list on page A-6. List type and amount ▶	27		
Total Itemized Deductions	28 Is Form 1040, line 37, over \$142,700 (over \$71,350 if married filing separately)? <input checked="" type="checkbox"/> No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 27. Also, enter this amount on Form 1040, line 39. <input type="checkbox"/> Yes. Your deduction may be limited. See page A-6 for the amount to enter.	28	24,516	

8686



VOID



CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no. FTB STATE OF CALIFORNIA FTBS 9645 BUTTERFIELD WAY WIDGETSVILLE CA 95741-9645 (916) 555-3571		1 Unemployment compensation \$ 2 State or local income tax refunds, credits, or offsets \$ 1,000.00	OMB No. 1545-0120 2005 Form 1099-G	Certain Government Payments Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2005 General Instructions for Forms 1099, 1098, 5498, and W-2G.
PAYER'S Federal identification number 95-1234444	RECIPIENT'S identification number 501-00-5013	3 Box 2 amount is for tax year	4 Federal income tax withheld \$	
RECIPIENT'S name PATRICK SMITH		5 ATAA payments \$	6 Taxable grants \$	
Street address (including apt. no.) 75 WAYNE ROAD		7 Agriculture payments \$	8 Check if box 2 is trade or business income <input type="checkbox"/>	
City, state, and ZIP code WIDGETSVILLE CA 27804-2025				
Account number (see instructions)				

Form **1099-G**

Cat. No. 14438M

Department of the Treasury - Internal Revenue Service

Do Not Cut or Separate Forms on This Page**Do Not Cut or Separate Forms on This Page**

a Control number		22222		OMB No. 1545-0008			
b Employer identification number (EIN) 95-5418961				1 Wages, tips, other compensation 70,000		2 Federal income tax withheld 14,800.00	
c Employer's name, address, and ZIP code WIDGETS FUNLAND WIDG 8575 MORELAND AVENUE WIDGETSVILLE CA 95742-8575				3 Social security wages 70,000		4 Social security tax withheld	
				5 Medicare wages and tips 70,000		6 Medicare tax withheld	
				7 Social security tips		8 Allocated tips	
d Employee's social security number 501-00-5013				9 Advance EIC payment		10 Dependent care benefits	
e Employee's first name and initial Last name PATRICK SMITH 75 WAYNE ROAD WIDGETSVILLE NC 27804-0075				11 Nonqualified plans		12a	
				13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b	
				14 Other CASDI 216		12c	
						12d	
f Employee's address and ZIP code							
15 State CA		Employer's state ID number 4546545		16 State wages, tips, etc. 20,000		17 State income tax 1,100.00	
NC		21421-545		50,000		6,000.00	

Form **W-2** Wage and Tax Statement
Copy 1—For State, City, or Local Tax Department

2005

Department of the Treasury—Internal Revenue Service

W-2 Indicator S

TEST CASE # 14

Transmit the following forms: **540NR, W-2, Form 592-B, and 1040 Return**

FEDERAL RETURN:

Entity Information:

Chris Smith (age 68)
Hillary Smith (age 66, **SSN:** 401-00-5014)
9647 Hilltop Dr
Widgetsville, OH 45275-9647

Filing Status:

Married Filing Joint

Senior Credit:

Two

Dependent (s):

Justine Smith
SSN: 601-00-5014
Age: 13 years
Daughter

Clark Smith
SSN: 602-00-5014
Age: 7 years
Son

April Smith
SSN: 603-00-5014
Age: 3 years
Daughter

Itemized Deductions:

Return Preparation:

- **Online & Internet:** Taxpayer
- **Paid Preparer:** Smith Tax Service
John Smith
123 Main St
Widgetsville, OH 45215
FEIN: 45-1234567

STATE DIFFERENCES:

Self-Select PIN:

Online and Internet Returns Only

- **Taxpayer:** 15014
- **Spouse:** 14014

Shared Secret:

- **Taxpayer:** 80,000
- **Spouse:** 80,000

TEST CASE # 14 continued:

Voluntary Contributions:

- Fund Name: California Seniors Special Fund
- Contribution Amount: \$174
- Fund Name: Veterans' Quality of Life Fund
- Contribution Amount: \$5
- Fund Name: California Sexual Violence Victim Services Fund
- Contribution Amount: \$5
- Fund Name: California Colorectal Cancer Prevention Fund
- Contribution Amount: \$5

Taxpayer and Spouse are Non-Residents of California

Taxpayer won cash prize on a game show while vacationing in California

Taxpayer and Spouse are residents of and domiciled in the state of Ohio

NOTE: Taxpayer's cash prize income reported on 1099Misc and California withholding were reported on **FTB Form 592-B**. The **592-B** is for withholding information only,

NOTE: Do **NOT** double report the game show winnings on the return.

SCHEDULES A&B
(Form 1040)

Department of the Treasury
Internal Revenue Service (99)

Schedule A—Itemized Deductions

(Schedule B is on back)

OMB No. 1545-0074

2004

Attachment
Sequence No. **07**

Name(s) shown on Form 1040

CHRIS AND HILLARY SMITH

Your social security number

501 00 5014

Medical and Dental Expenses	Caution. Do not include expenses reimbursed or paid by others.				
1	Medical and dental expenses (see page A-2)	1			
2	Enter amount from Form 1040, line 37 2	2			
3	Multiply line 2 by 7.5% (.075)	3			
4	Subtract line 3 from line 1. If line 3 is more than line 1, enter -0-	4			
Taxes You Paid	5 State and local (check only one box):	5	2,400		
(See page A-2.)	a <input type="checkbox"/> Income taxes, or				
	b <input type="checkbox"/> General sales taxes (see page A-2) }	6	2,600		
	6 Real estate taxes (see page A-3)	7	600		
	7 Personal property taxes	8			
	8 Other taxes. List type and amount ►				
	9 Add lines 5 through 8	9			5,600
Interest You Paid	10 Home mortgage interest and points reported to you on Form 1098	10	23,000		
(See page A-3.)	11 Home mortgage interest not reported to you on Form 1098. If paid to the person from whom you bought the home, see page A-4 and show that person's name, identifying no., and address ►	11			
Note. Personal interest is not deductible.	12 Points not reported to you on Form 1098. See page A-4 for special rules	12			
	13 Investment interest. Attach Form 4952 if required. (See page A-4.)	13			
	14 Add lines 10 through 13	14			23,000
Gifts to Charity	15 Gifts by cash or check. If you made any gift of \$250 or more, see page A-4	15			
If you made a gift and got a benefit for it, see page A-4.	16 Other than by cash or check. If any gift of \$250 or more, see page A-4. You must attach Form 8283 if over \$500	16			
	17 Carryover from prior year	17			
	18 Add lines 15 through 17	18			
Casualty and Theft Losses	19 Casualty or theft loss(es). Attach Form 4684. (See page A-5.)	19			
Job Expenses and Most Other Miscellaneous Deductions	20 Unreimbursed employee expenses—job travel, union dues, job education, etc. Attach Form 2106 or 2106-EZ if required. (See page A-6.) ►	20			
(See page A-5.)	21 Tax preparation fees	21			
	22 Other expenses—investment, safe deposit box, etc. List type and amount ►	22			
	23 Add lines 20 through 22	23			
	24 Enter amount from Form 1040, line 37 24	24			
	25 Multiply line 24 by 2% (.02)	25			
	26 Subtract line 25 from line 23. If line 25 is more than line 23, enter -0-	26			
Other Miscellaneous Deductions	27 Other—from list on page A-6. List type and amount ►	27			
Total Itemized Deductions	28 Is Form 1040, line 37, over \$142,700 (over \$71,350 if married filing separately)? <input checked="" type="checkbox"/> No. Your deduction is not limited. Add the amounts in the far right column for lines 4 through 27. Also, enter this amount on Form 1040, line 39. <input type="checkbox"/> Yes. Your deduction may be limited. See page A-6 for the amount to enter.	28	28,600		

2 0 0 5

Nonresident Withholding Tax Statement**592-B**

Attach to Form 592 for each recipient. See the separate instructions for Forms 592 and 592-A.

Copy A FOR FRANCHISE TAX BOARD**Part I Recipient**

Recipient's name CHRIS SMITH		<input type="checkbox"/> SSN 501-00-5014	
Address (number and street) 9647 HILLTOP DRIVE		PMB no.	<input type="checkbox"/> FEIN <input type="checkbox"/> California corp. no.
City WIDGETSVILLE	State CA	ZIP Code 45275-9647	Country

Part II Withholding agent

Withholding agent's (payer's/partnership's/limited liability company's) name GAME SHOW 21		<input type="checkbox"/> SSN	
Address (number and street) 555 GAME SHOW DRIVE		PMB no.	<input type="checkbox"/> FEIN <input type="checkbox"/> California corp. no.
City HOLLYWOOD	State CA	ZIP Code 90120-0500	Daytime telephone number (213) 555-5014

Part III Type of income subject to withholding. Check the applicable box(es).

<input type="checkbox"/> Payment to Independent Contractor	<input type="checkbox"/> Rents or Royalties	<input type="checkbox"/> Estate Distributions	<input type="checkbox"/> Trust Distributions	<input type="checkbox"/> Allocations to Foreign (non-U.S.) Nonresident Partner/Member	<input type="checkbox"/> Distributions to Domestic (U.S.) Nonresident Partner/Member	<input type="checkbox"/> Other _____ (describe)
--	---	---	--	---	--	---

Part IV Tax Withheld

1 Total amount subject to withholding	1	20,000	
2 Total California tax withheld	2	400	

Withholding Agent Instructions**General Information****Purpose**

Use Form 592-B, Nonresident Withholding Tax Statement, to show the amount of income subject to withholding and tax withheld for nonresidents for the year. File a separate Form 592-B for each nonresident.

Note: Use Form 592-A, Nonresident Withholding Remittance Statement, to remit withholding payments during the year. Use Form 592, Nonresident Withholding Annual Return, to report the total withholding for the year and as a transmittal form for Forms 592-B.

Who Must File

Any person who has withheld on payments to nonresidents or is a pass-through entity that was withheld upon and must flow through the withholding credit must file Forms 592-B (with Form 592, Nonresident Withholding Annual Return) with the Franchise Tax Board (FTB) and give copies of Form 592-B to the persons or entities withheld upon.

Note: Withholding agents who withhold based on Form 594, Notice to Withhold Tax at Source, should not include that withholding on Form 592-B.

When and Where to File

File Copy A of this form together with Form 592, Nonresident Withholding Annual Return, with the FTB on or before January 31 following the close of the calendar year unless you are withholding on foreign (non-U.S.) partners. For withholding on foreign partners, file Forms 592-B with Form 592, Side 2 on or before the 15th day of the 4th month following the close of the partnership's tax year. (If all the partners are foreign, Forms 592-B and Form 592 must be filed on or before the 15th day of the 6th month after the close of the partnership's tax year.)

Attach Copy A of Form 592-B to the back of Form 592 and mail with payment to:

FRANCHISE TAX BOARD
PO BOX 942867
SACRAMENTO CA 94267-0651

If you are filing Form(s) 592-B by magnetic media, see Instructions for Form 592, Magnetic Media Requirements, for instructions on mailing the disk or CD to FTB.

Distribute the other copies of Form 592-B as follows:

- **Copies B & C** – Send to the vendor/payee at the same time that Form 592 is due to the FTB.
- **Copy D** – Retained by withholding agent.

Penalties

The withholding agent must furnish complete and correct copies of Forms 592-B to the FTB and to the recipient (vendor/payee) by the due date.

If the withholding agent fails to provide complete, correct, and timely Forms 592-B to the FTB for all nonresident withholding other than foreign partner withholding, the penalty per Form 592-B is:

- \$15 if filed within 30 days after the due date.
- \$30 if filed by August 1.
- \$50 if filed after August 1 or a correct form is not filed.
- \$100 or ten percent of the amount required to be reported (whichever is greater) if the failure is due to intentional disregard of the requirement.

If the withholding agent fails to provide complete, correct, and timely Forms 592-B to the FTB for foreign partner withholding, the penalty per Form 592-B is:

- \$15 if filed within 30 days after the due date.
- \$50 if filed more than 30 days late or a correct form is not filed.
- \$100 or ten percent of the amount required to be reported (whichever is greater) if the failure is due to intentional disregard of the requirement.

☐ CORRECTED (if checked)

PAYER'S name, street address, city, state, ZIP code, and telephone no. GAME SHOW 21 555 GAME SHOW ROAD HOLLYWOOD CA 90120-0555 (213) 555-0123		1 Rents	OMB No. 1545-0115 2005 Form 1099-MISC	Miscellaneous Income Copy B For Recipient
		\$		
		2 Royalties		
		\$		
PAYER'S Federal identification number 94-2511897		RECIPIENT'S identification number 501-00-5014		
		3 Other income \$ 20,000		4 Federal income tax withheld \$ 4,500.00
RECIPIENT'S name CHRIS SMITH Street address (including apt. no.) 9647 HILLTOP DRIVE City, state, and ZIP code WIDGETSVILLE, CA 45275		5 Fishing boat proceeds	6 Medical and health care payments	This is important tax information and is being furnished to the Internal Revenue Service. If you are required to file a return, a negligence penalty or other sanction may be imposed on you if this income is taxable and the IRS determines that it has not been reported.
		\$	\$	
		7 Nonemployee compensation	8 Substitute payments in lieu of dividends or interest	
		\$	\$	
Account number (see instructions) 465213221		9 Payer made direct sales of \$5,000 or more of consumer products to a buyer (recipient) for resale <input type="checkbox"/>	10 Crop insurance proceeds	
		\$	\$	
15a Section 409A deferrals \$		15b Section 409A income \$		
		16 State tax withheld \$		17 State/Payer's state no. \$
18 State income \$				

Form **1099-MISC**

(keep for your records)

Department of the Treasury - Internal Revenue Service

9292

☐ VOID☐ CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no. NATIONAL BANK OF OHIO 6521 HAWTHORNE AVENUE WIDGETSVILLE OH 45215-6521 (916) 555-6521		Payer's RTN (optional)	OMB No. 1545-0112	2005 Interest Income
PAYER'S Federal identification number 45-8954219		RECIPIENT'S identification number 501-00-5014		
RECIPIENT'S name CHRIS AND HILLARY SMITH		1 Interest income not included in box 3 \$ 1,000.00		Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2005 General Instructions for Forms 1099, 1098, 5498, and W-2G.
Street address (including apt. no.) 9647 HILLTOP DRIVE		2 Early withdrawal penalty \$	3 Interest on U.S. Savings Bonds and Treas. obligations \$	
City, state, and ZIP code WIDGETSVILLE CA 45275-9647		4 Federal income tax withheld \$	5 Investment expenses \$	
Account number (see instructions) 54565652	2nd TIN not. <input type="checkbox"/>	6 Foreign tax paid \$	7 Foreign country or U.S. possession	

Form **1099-INT**

Cat. No. 14410K

Department of the Treasury - Internal Revenue Service

Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page

a Control number		22222		OMB No. 1545-0008			
b Employer identification number (EIN) 45-8527410				1 Wages, tips, other compensation 59,000		2 Federal income tax withheld 10,500.00	
c Employer's name, address, and ZIP code WIDGETS AND MORE WIDG 455 SPRINGFIELD ROAD WIDGETSVILLE OH 45289-0455				3 Social security wages 59,000		4 Social security tax withheld	
				5 Medicare wages and tips 59,000		6 Medicare tax withheld	
				7 Social security tips		8 Allocated tips	
d Employee's social security number 501-00-5014				9 Advance EIC payment		10 Dependent care benefits	
e Employee's first name and initial Last name CHRIS SMITH 9645 HILLTOP DRIVE WIDGETSVILLE OH 45275-9647				11 Nonqualified plans		12a	
				13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b	
				14 Other		12c	
						12d	
f Employee's address and ZIP code							
15 State Employer's state ID number OH 4565214		16 State wages, tips, etc. 59,000		17 State income tax 2,000.00		18 Local wages, tips, etc.	
						19 Local income tax	
						20 Locality name	

Form **W-2** Wage and Tax Statement
Copy 1—For State, City, or Local Tax Department

2005

Department of the Treasury—Internal Revenue Service

W-2 Indicator S

TEST CASE # 15

Transmit the following forms: **540NR, W-2, and 1040 return.**

FEDERAL RETURN:

Entity Information: Leslie Smith
96 Riley Road
Widgetsville, OH 45215-0096

Filing Status: Head of Household

Dependent (s):

Daniel Smith	Justin Smith
SSN: 601-00-5015	SSN: 602-00-5015
Age: 10 years	Age: 10
Daughter	Son

Standard Deduction:

Return Preparation:

- **Online & Internet:** Taxpayer
- **Paid Preparer:** Smith Tax Service
John Smith
123 Main St
Widgetsville, OH 45215-0123
FEIN: 45-2214521

STATE DIFFERENCES:

Self-Select PIN: Online and Internet Returns Only

- **Taxpayer:** 15015

Shared Secret:

- **Taxpayer:** 66,140

Taxpayer is a Non-Resident of California and works in California on a temporary work assignment

Taxpayer is a Resident of and Domiciled in the State of Ohio

California Non-Tax Interest adjustment

TEST CASE # 15 continued

Voluntary Contributions:

- Fund Name: CA Breast Cancer Research Fund
- Contribution Amount: \$5
- Fund Name: Veterans' Quality of Life Fund
- Contribution Amount: \$5
- Fund Name: California Sexual Violence Victim Services Fund
- Contribution Amount: \$5
- Fund Name: California Colorectal Cancer Prevention Fund
- Contribution Amount: \$5

Electronic Funds Withdrawal:

- **Routing Number:** 121000248
- **Account Number:** 987654321-Z
- **Type of Account:** Checking
- **Debit Amount:** Total Amount Due
- **Date of Debit:** 04/17/2006

9292

☐ VOID☐ CORRECTED

PAYER'S name, street address, city, state, ZIP code, and telephone no. THIRD FIFTH BANK OF WIDGETVILLE 5445 BANKERS COURT WIDGETSVILLE OH 45217-9587 (513) 555-5445		Payer's RTN (optional)	OMB No. 1545-0112	2005 Interest Income
			Form 1099-INT	
PAYER'S Federal identification number 457654321	RECIPIENT'S identification number 501-00-5015	1 Interest income not included in box 3 \$		Copy A For Internal Revenue Service Center File with Form 1096. For Privacy Act and Paperwork Reduction Act Notice, see the 2005 General Instructions for Forms 1099, 1098, 5498, and W-2G.
RECIPIENT'S name LESLIE SMITH		2 Early withdrawal penalty \$	3 Interest on U.S. Savings Bonds and Treas. obligations \$ 1,000.00	
Street address (including apt. no.) 96 REILEY ROAD		4 Federal income tax withheld \$	5 Investment expenses \$	
City, state, and ZIP code WIDGETSVILLE OH 45215-0096		6 Foreign tax paid \$	7 Foreign country or U.S. possession	
Account number (see instructions) 5664552	2nd TIN not. <input type="checkbox"/>			

Form **1099-INT**

Cat. No. 14410K

Department of the Treasury - Internal Revenue Service

Do Not Cut or Separate Forms on This Page — Do Not Cut or Separate Forms on This Page

a Control number		22222		OMB No. 1545-0008			
b Employer identification number (EIN) 45-7654258				1 Wages, tips, other compensation 15,000		2 Federal income tax withheld 2.100	
c Employer's name, address, and ZIP code WIDGETS OF WIDGETSVILLE WIDG 5444 ORCHARD WAY WIDGETSVILLE OH 45218-5444				3 Social security wages 15,000		4 Social security tax withheld	
				5 Medicare wages and tips 15,000		6 Medicare tax withheld	
				7 Social security tips		8 Allocated tips	
d Employee's social security number 501-00-5015				9 Advance EIC payment		10 Dependent care benefits	
e Employee's first name and initial Last name LESLIE SMITH 96 REILEY ROAD WIDGETSVILLE OH 45215-0096				11 Nonqualified plans		12a	
				13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b	
				14 Other CASDI 177		12c	
						12d	
f Employee's address and ZIP code							
15 State Employer's state ID number CA 546555		16 State wages, tips, etc. 15,000		17 State income tax 136		18 Local wages, tips, etc.	
						19 Local income tax	
						20 Locality name	

Form **W-2** Wage and Tax Statement
Copy 1—For State, City, or Local Tax Department

2005

Department of the Treasury—Internal Revenue Service

W-2 Indicator S

a Control number		22222		OMB No. 1545-0008			
b Employer identification number (EIN) 45-9876543				1 Wages, tips, other compensation 50,140		2 Federal income tax withheld 8.001.00	
c Employer's name, address, and ZIP code WIDGETCOM WIDG 8574 TELEPHONE WAY WIDGETSVILLE OH 45280-8574				3 Social security wages 50,140		4 Social security tax withheld	
				5 Medicare wages and tips 50,140		6 Medicare tax withheld	
				7 Social security tips		8 Allocated tips	
d Employee's social security number 501-00-5015				9 Advance EIC payment		10 Dependent care benefits	
e Employee's first name and initial Last name LESLIE SMITH 96 REILEY ROAD WIDGETSVILLE OH 45215-0096				11 Nonqualified plans		12a	
				13 Statutory employee Retirement plan Third-party sick pay <input type="checkbox"/> <input checked="" type="checkbox"/> <input type="checkbox"/>		12b	
				14 Other		12c	
						12d	
f Employee's address and ZIP code							
15 State Employer's state ID number OH 4585445		16 State wages, tips, etc. 50,140		17 State income tax 1,170.00		18 Local wages, tips, etc.	
						19 Local income tax	
						20 Locality name	

Form **W-2** Wage and Tax Statement
Copy 1—For State, City, or Local Tax Department

2005

Department of the Treasury—Internal Revenue Service

W-2 Indicator S